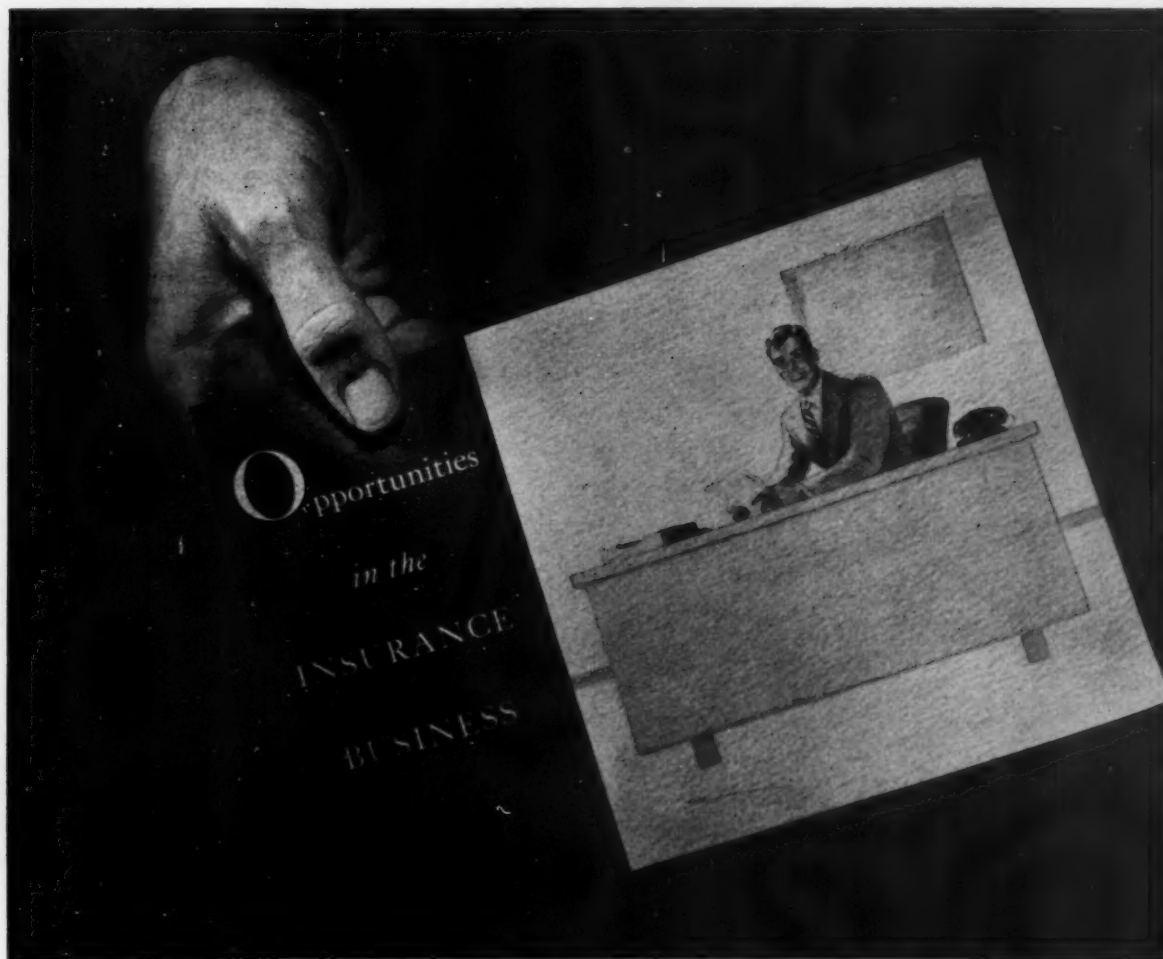


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HARTFORD 15, CONNECTICUT

THURSDAY, MAY 19, 1949

Effingham Tragedy Has Many Echoes at N.F.P.A. Parley

Prime Resolution at San Francisco Springs from Ill. Hospital Disaster

SAN FRANCISCO—National Fire Protection Assn. at the annual meeting here this week adopted a resolution favoring an all-out drive on hazardous situations in all public institutions to prevent disasters such as the hospital fire at Effingham, Ill. A memorial was adopted urging tobacco companies to devote a small part of their advertising to warning the public against careless smoking, especially smoking in bed.



John L. Wilds



Percy Bugbee

Another resolution urges womens' clubs to do more fire prevention work; another favors intensive fire prevention education in schools. Farm groups were memorialized to promote fire prevention in isolated rural districts and industry was urged to devote more attention to fire prevention, especially in forming private fire brigades.

John L. Wilds, president of Protection Mutual Fire, Chicago, was re-elected president. Vice-presidents are A. H. S. Stead, Montreal, and Allen L. Cobb, Rochester. Secretary is Hovey T. Freeman, Providence and chairman is George W. Elliott of Philadelphia.

New Directors Named

Newly elected directors are John Alderson, Los Angeles fire chief; T. Seddon Duke, Philadelphia; J. E. Fredrickson, Detroit; John A. Neale, Underwriters Laboratories, Chicago and Harry E. Newell, New York.

Warren J. Baker, North America, was elected chairman of the nominating committee for 1950, the other members being J. L. Husmann of New York and Elmer Reske, manager Cook County Inspection Bureau, Chicago.

James K. McElroy, assistant technical secretary of N.F.P.A., in addressing the final session said that \$8,000 spent for basic fire control precautions might have saved many of those that perished in the Effingham fire. He implored all hospital administrators immediately to consider their own situations and follow qualified advice in prompt correction of hazardous conditions.

He said the Effingham fire proved the inadequacy of many public fire inspection services. Administrators that wait for inspections by public officials will be doing themselves and their communities a disservice.

H. E. Muir, chief research engineer of Factory Association at Chicago, said new extinguishing agents should be de-

Amarillo Tornado Loss Estimate Is \$1 Million

DALLAS—A skipping tornado struck Amarillo Sunday night and about 15 square blocks of residences, many of them new homes of veterans, were totally destroyed with loss estimated by James F. Miazza of Dallas office of General Adjustment Bureau at about \$1 million. Heavy panhandle wheat crops were damaged but no estimate is available as lines of communications are down. G.A.B. has an Amarillo office to which 15 additional adjusters and clerical help have been sent to handle an expected two hundred residential claims averaging \$5,000 each.

The crop losses in the neighborhood of Amarillo are difficult to estimate at this time. The hail insurance headquarters at Chicago were unable to reach Amarillo by telephone until Tuesday and at that time, the Amarillo representatives only had scattered reports. The representative of one of the leading hail writing companies said that he had already had two reports of total loss, one about 10 miles southwest of Amarillo, and the other about seven miles southeast. It is likely that the hail insurance losses here might amount to about \$200,000. Incidentally, the Amarillo people reached by phone Tuesday, said that the insurance property loss in the city looked like \$2 million.

There have been a few other hail insurance losses so far. There have been scattered losses in Oklahoma and Kansas, and perhaps 600 or 700 losses to tobacco in Georgia for a total of about \$100,000.

K. T. Martin, crop underwriter of Floyd West & Co., general agency of Dallas, believes the insured crop loss will not exceed \$500,000 but says reports are incomplete because communication lines are down.

The flood damage of the 10 inch overnight rainfall at Fort Worth is estimated at between \$1 and \$2 million with some 4,000 people homeless.

veloped or old ones applied in more effective ways, because present high values of industry and new and complex processes involving use of hazardous materials are safe only when exactly controlled.

Mr. Wilds, in his presidential address, said that N.F.P.A. is striving to create an alert public opinion and reception and assimilation of knowledge on the reduction of loss by fire, and loss of lives. Evidence that headway is being made in spreading information is attested to by the fact that the membership in the organization is growing at an annual rate of 1000 members. The membership is now almost 13,000.

Free publicity has been procured in several national magazines, and radio and television have contributed much, as well as trade magazines.

Tobacco Men's Responsibility

Careless disposal of matches and cigarettes continues to be the leading cause of fires. He said that tobacco companies have an obligation to help prevent many fires in which their product figures so prominently.

He suggested that some of the fire prevention literature, particularly regarding the home, be beamed to the women.

Percy Bugbee, reporting as general manager, remarked that perhaps the biggest factor in the Effingham disaster was the rapid spread of fire over the combustible interior finish that had been installed. This serious fire hazard was clearly brought to wide public at-

(CONTINUED ON PAGE 21)

Claussen Retires; Dox New Western Head of L. & L.

After having served London & Lancashire group for more than 53 years, during the last 16 of which he has been manager of the western department at Chicago, Carl Claussen will retire on pension June 30 in order to indulge more fully in the many outside activities in which he has always had so keen an interest.

Charles E. Dox will succeed Mr. Claussen in the managership as of July 1.

Mr. Dox joined the group July 1, 1929, and after much experience in the field was brought back to Chicago in an exec-



Charles E. Dox



CARL CLAUSSEN

utive position and in 1944 was appointed assistant manager. His name is a familiar and respected one. His uncle was Mr. Claussen's predecessor as manager, and he has won the respect and admiration of the entire organization by his own efforts.

Mr. Dox, whose home was at Omaha, graduated at University of Nebraska, and immediately went with L. & L. at Chicago. In 1935 he was assigned to the Wisconsin field and soon made his mark there. He was serving in 1942 as president of Wisconsin Fire Underwriters Assn. when he was called back to Chicago in the western department.

Mr. Claussen was born in Germany and was brought to Chicago by his family at the age of 2½. He started in field work for L. & L. in 1905 at Kansas City. Later he saw service in Indiana and Ohio and was brought back to the western department in 1917. He was assistant agency superintendent and agency superintendent before succeeding Mr. Dox as manager in 1933.

Doremus N. J. Speaker

NEWARK—At the luncheon meeting of New Jersey Insurance Fieldmen's Assn. May 23, Fred Doremus of Eastern Underwriters' Assn. speaks on "Proposed Revisions of the Supplemental Contract."

The outing and golf tournament will be held at Twin Brooks Country Club June 10.

Malone Approves Rate Reductions of North America

Deviations Authorized in Philadelphia and Subur- ban and Allegheny Co.

Commissioner Malone of Pennsylvania has announced his approval of the request of North America to reduce its rates on certain classifications of fire insurance in the counties of Allegheny, Bucks, Chester, Delaware, Montgomery, and Philadelphia.

A hearing on the proposed reduction was held Feb. 7, to determine whether the proposed reduction met all the requirements of the rate regulatory act and whether the reduction discriminated against other policyholders.

First Hearing to Be Held

The hearing was the first to be held pursuant to the provisions of the act of 1947, which vested authority in the commissioner to regulate fire rates.

North America stated that the saving was made possible by a reduction in its operating costs, and it was the desire of the company to pass it on to certain of its policyholders.

The reduction will affect fire insurance rates in Philadelphia on churches and chapels, public buildings, mercantile risks, non-manufacturing risks, and sprinkler non-manufacturing risks.

In suburban Philadelphia the classifications affected are churches and chapels, public buildings, residential, farm property, mercantiles, and non-manufacturing risks.

In Allegheny county it will affect mercantile risks, residential, and non-manufacturing risks.

Mr. Malone commended North America for effecting a decrease in cost in these days of rising costs.

Mr. Malone's order states the filing does not affect the company's solvency; it is not an unreasonable modification of class rates theretofore filed; possible reduction of rates in other territories and other classes is not considered within the scope of the issue raised by the deviation filing. Reduction of rates should not be denied merely because the commissioner is not authorized under existing law and on the basis of the record, presently to approve rate reductions in other classes and territories.

Philadelphia Insurance Phone Directory Is Ready

Copies of the 1949 Philadelphia Insurance Telephone Directory have been mailed to local offices in that city. The 88 page book lists fire, casualty and life offices alphabetically with their phone numbers and includes agents, brokers and company officials. Extra copies of the book may be purchased at \$1 each from the Philadelphia office of the National Underwriter Company, 123 South Broad Street, or the home office, 420 East Fourth street, Cincinnati 2, O.

County Mutual Blows Up

Progressive County Mutual Fire of Texas has been adjudged insolvent and placed in receivership by order of the judicial district court of Travis County.

Give Green Light to Scholarship Course in West

Students Under Sponsorship at Illinois Institute May Reach 50

Final approval has now been given to the plan to revive the fire insurance college scholarship course in the west starting with the September term on the west side campus of Illinois Institute of Technology at Chicago.

The plan was broached at the recent annual meeting of Western Underwriters Assn., and the members there indicated such wholehearted approval that the governing committee proceeded to perfect the plan.

This is to be modeled on the course that was conducted until the depression years at Northwestern University.

A screening committee is to be set up to review and investigate each applicant for a scholarship, the members being Alvah Small, vice-chairman of Underwriters Laboratories; K. H. Parker, assistant manager Western Actuarial Bureau; Dr. John J. Ahern, director of department of fire protection and safety engineering at Illinois Institute, and E. H. Born, manager of W.U.A.

Recommendation as to Salary

The governing committee recommends that the scholarship students be paid for the two years that they are attending college specified salaries that are about one-half the stipend of young men of comparable age working on a full-time basis. The amount of salary would be increased by \$10 a month during the second year.

The governing committee will submit to members a suggested form of agreement, providing that, in consideration of the salary and tuition fee paid for the student, he will remain with the company sponsoring him for two years after graduation.

The student would attend courses in the mornings and work in the offices of his sponsoring insurance company in the afternoons.

The course would run for two years. The student successfully completing the work would receive a certificate in property insurance. Course work, totaling 62 credit hours, must be completed and the required courses fall into the groups of basic college education, management and insurance.

Content of Courses

The basic college education courses are made up of sessions in college English, mathematical analysis, American constitutional system and principles of economics. Also, classified with these courses are sessions in public speaking and mathematics of investments.

The group of management courses include courses in accounting, business law, organization and management, personnel management, economics statistics and sales management.

The group of insurance courses consists of a 4-semester sequence starting with a fundamental course in insurance principles and practices that has been a standard requirement in the fire protection engineering course at Illinois Institute. The courses cover economics of insurance, insurance mechanism, contract provisions, insurance legislation, rates and rating, underwriting and selection of risks, loss adjustment, loss prevention and client building. These topics are covered from the standpoint of fire, auto, casualty, marine and workmen's compensation. There is also a one-year course in schedule rating, with

Scottish Union Marks Its 125th Anniversary

HARTFORD—This year marks the 125th anniversary of an insurance company whose first governor was Sir Walter Scott, and which wrote coverage on his mansion at Abbotsford and its furnishings.

The company is Scottish Union & National, which has its U. S. headquarters here, and its home office at Edinburgh.

Scottish Union came into being in 1824 shortly after one of the most disastrous fires in Edinburgh's history. It concerned itself first with fire risks, placing up-to-date engines in important centers and contributing toward their maintenance in places where the risks were less.

Within a year the company prospered so that it received an offer for amalgamation with a British company long established. This was declined. It decided, however, to go into the life insurance business as well. Within 10 years, Scottish Union had done sufficiently well to open a branch at London.

Amalgamation in 1878

In 1841 there was formed at Edinburgh National Fire of Scotland. This was the second Scottish company to adopt the practice of returning to policyholders a share of the profits of the fire insurance business. For a time it was boycotted by the other Scottish companies as a result, and eventually the practice was discontinued, the early profits proving insufficient to share. The company added life coverage in 1843, becoming National Fire & Life of Scotland.

Scottish Union & National was formed by amalgamation of the two predecessors in 1878.

In 1880 a deputation of the directors, with the general manager, visited the U. S. and started a branch in this country. Martin Bennett was the first U. S. manager, being succeeded in 1900 by James H. Brewster, in 1920 by John H. Vreeland, and in 1946 by T. R. Fletcher, who retired in 1948. The company was heavily involved in the losses caused by the Baltimore fire in 1904 and the San Francisco earthquake and fire in 1906, but successfully rode out the storm, paying all claims in full.

Subsidiaries Are Formed

In 1923 a subsidiary company, American Union of New York was established. Another subsidiary, Central Union, was formed in 1928.

Scottish Union's No. one man in this country since Aug. 1, 1948, has been John Alexander Newlands, 46, its general attorney. He is also president of American Union and Central Union.

A native of Aberdeen, he is the son of an insurance man, Edward F. Newlands, secretary of Northern Assurance of London. He was educated at Edinburgh before joining Alliance Assurance of London at Edinburgh in 1919. In 1922 he went to the fire department of Northern Assurance.

Mr. Newlands joined Scottish Union in 1926 as inspector of agencies at Bos-

emphasis on the analytic system for measurement for relative fire hazards.

The students must meet the usual admission requirements of Illinois Institute. Students that desire to obtain a bachelor of science degree may do so by additional work at the Institute in either day or evening sessions.

Classes will be conducted Monday through Saturday from 8:10 a.m. to 12 and the students will then be able to go to their offices. Certain specialized courses may be offered in the evenings.

The cost of the program will be \$600 per year per student, to be defrayed by the sponsoring company. There must be a minimum of 15 students throughout the year. There are indications that there may be sponsorship for as many as 50 students the first year.

ton, Lincolnshire. Subsequently he became assistant secretary, secretary, assistant manager, and manager of various branches.

After war service with the home guard he came to Hartford in 1944 to open a Canadian department for Scottish Union and for Central Union at Toronto. He was Canadian manager for both companies before attaining his present position.

Grenville S. Tompkins is U. S. manager and secretary of Scottish Union, vice-president of American Union and Central Union. Born and educated at Yonkers, he started with Queen as a map clerk in 1921. He has been with Scottish Union since 1937, when he became its state agent for Minnesota, North and South Dakota. He became assistant secretary in 1945, assistant U. S. manager in 1946, and reached his present position in 1948.

Wallace George Bailey is assistant secretary of the three companies. Born in Cromwell, Conn., and educated there and in Hartford, he has been very active in many insurance organizations. Has been with Scottish Union in various capacities since 1921, as assistant secretary since last year.

Preston Heath's Career

•Preston E. Heath, assistant secretary of the three companies, was born at Denver, educated at East Denver and Illinois Institute of Technology. He has been an engineer, special agent, state agent, and agency superintendent before attaining his present position last year.

George P. O'Loughlin, assistant secretary, is a Hartford native who joined the group in 1917. He was acting manager of the Canadian branch during part of 1948, reaching his present post in 1948.

Thomas E. Owen, another assistant secretary, was born and educated in Hartford and joined the companies in 1949.

R. J. Coolidge, manager of the Pacific Coast department, was born and educated at Chicago. He started with Springfield F. & M. in 1910, was for 20 years Scottish Union's assistant manager on the Pacific Coast.

J. K. Carmichael, assistant manager of the coast department, was born in Australia, educated at University of California and was with Pacific Board and Cosgrove & Co., before joining Scottish Union.

S.E.U.A. Decision Has Not Dimmed the Agency System, Gorman Tells D. C. Assn.

Manuel M. Gorman, special assistant to the U. S. attorney general told the District of Columbia Assn. of Insurance Agents that time is proving that those who cried out that the S.E.U.A. decision would mean the end of the American agency system were wrong. Nor does the Sherman act hinder organization of agents into association for the furtherance of legitimate common objectives, he declared. He termed organization activities as in the public interest where the objectives of cooperation are to eliminate waste and confusion, to advance education regarding better methods of business, to raise the standards of ethics and to secure adequate presentation of industry problems before the government and the public, and to supply information.

He commented, "Insurance agents and their organizations have long been an integral part of the competitive aspect of the insurance business. Thus, insofar as the activities of agents are a part of the stream of interstate commerce, or affect that commerce, they should avoid group activities, rules or practices which may hamper free operation of the insurance market or free access to that market."

Matthias Says Some States Usurp Rate Making Function

'Misinterpretation' of Laws May Force Industry to Seek Legislative Curbs

Russell H. Matthias, insurance attorney, speaking at the annual meeting of Midwestern Independent Statistical Service in Chicago, charged that through misinterpretation of the all-industry bills certain state insurance departments are infringing upon the rate making and management powers of the insurance companies. Mr. Matthias, who is of the Chicago firm of Ekern, Meyers & Matthias, counsel for the organization he was addressing, warned that if the state officials develop a pattern of uniformity in refusing to guarantee freedom of action and competition among insurers, positive legislative action must be taken to prevent this.

Mr. Matthias commented that certain department officials do not appear to understand that under the all-industry bill the companies or bureaus alone make the rates and that insurance commissioners may not make rates. He emphasized that the departments according to the original intent of the bills, are review bodies only with only delegated powers.

He characterized as the most flagrant example of misinterpretation the action of the Texas commissioners in construing the 1945 Texas casualty rating law as requiring the promulgation of a uniform rating schedule based upon rates made by Surety Assn. of America.

Mississippi Requires Conformity

The speaker cited as another example of a tendency on the part of the administrative officials to prescribe uniformity under rate laws as the ruling by the Mississippi commissioner that a company, under the casualty rating law, would have to conform its practices and rating plan to that used by the bureau and must compile its statistics on the same basis.

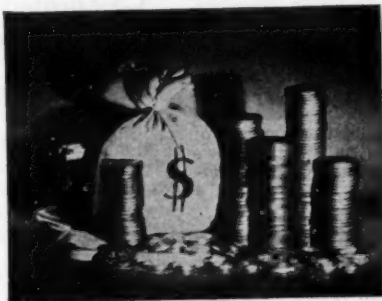
Mr. Matthias indicated that there are other less serious examples which have come to light around the country and stated that in several states the departments have arbitrarily determined what constitutes "substantiating information" for rate filing, despite the clear legislative declaration that a filing may be supported by any relevant factors and by the experience or judgment of the company making the filing, and its own interpretation of any statistical data upon which it relies.

"Over-regulation can become quite as objectionable as no regulation, and is not in the public interest. If, and when, compulsory automobile insurance legislation comes generally into this country—and there are definite signs in that direction—we can be assured that there will be even more attempts to control the business operations and actually make the rates for automobile insurers," Mr. Matthias stated.

"Unless these laws are administered to permit free competition and without excessive administrative requirements and undue regimentation, they are likely to meet with growing opposition not only from independent carriers, but from the buying public. This may result in liberalizing amendments in the not too distant future to the end that competition will be preserved as it cer-

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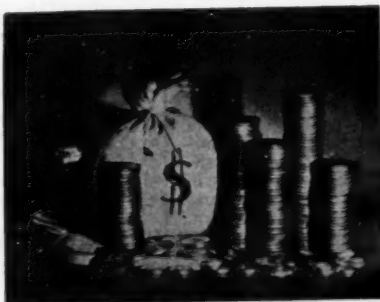
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MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

Perlet Counsels Wary Approach to Big Buyer Appeal

Warns of Plans and Formulas That Bow to Large Customer

Behind the "old front" that the large buyer is being discriminated against by rates which are used for the ordinary insured, there appears to be a definite movement to foster rating plans and formulas which definitely favor the large insurance buyer, Harry Perlet asserted in addressing the Chicago convention of Midwestern Independent Statistical Service. Mr. Perlet is shortly departing as rating section chief of the Ohio department to become assistant insurance manager of U.S. Chamber of Commerce. He said this same situation brought about adoption of state anti-discrimination laws about 30 years ago. These schemes must be examined to see that they do not fall into the error of giving too much consideration to the large buyer.

The argument is made in connection with the premium discount plan, for instance, that it costs less to write and service the large risk than the small one but Mr. Perlet said that insurance is a retail and not a wholesale business. In retail merchandising, price reductions are not given for quantity. The same firms that seek insurance rate discounts do not sell their own products

Light, Sleeper in No. America Change

North America has made management changes at Denver and Cleveland. Richard B. Light has been named manager of the fire company at Denver succeeding Overton W. Houston, and Dwight W. Sleeper, Jr., has been appointed manager of the indemnity company at Cleveland to succeed Nolan S. Pierce, Messrs. Houston and Pierce are to be given important managerial assignments in other offices.

Mr. Light joined North America in 1937 and has served as special agent. More recently he has been in the fire underwriting and agency departments at the home office.

Mr. Sleeper, whose father is chief consultant of Insurance Buyers Council of Boston, has spent his entire business career with the indemnity company as an underwriter and producer. He became assistant manager at Cleveland in 1947.

to the consumer on the basis of quantity discounts, he said.

Also, he emphasized that insurance expenses are averages. The cost accounting system cannot charge off time and material against a certain policy or certain group of policies because they change so rapidly. To undertake accurately to cost account would cost far more than it could ever save. Unless this is done there is little tangible evidence that there are savings on large risks.

Proponents of discounts for large buyers say there are demonstrable savings in audit and inspection expense by premium size. However, he said the audit and inspection cost would not be the same for an assured paying \$10,000 in premiums and with one location as for an assured paying the

(CONTINUED ON PAGE 19)

Reins Club of N. Y. Marks Anniversary

The Reins Club of New York, composed of fire company reinsurance men and reinsurance intermediaries, will celebrate its 15th anniversary at its annual dance May 27 at the Hotel St. George, Brooklyn. Originally founded for better acquaintance of those engaged in this line, the organization quickly broadened its scope to become an educational sounding board on insurance problems.

When the capacity problem became serious after the war, the organization proved its merit. Though the reinsurance market was cut considerably, the relationships established through the club greatly assisted in the placement of business. Although a large amount of reinsurance is carried on a treaty basis today, millions of dollars of premiums are still placed by club members on a facultative basis.

Elimination of \$1 Items

One matter taken up by members was the advisability of discontinuing between companies on reinsurance policies, claim notices and proofs of loss where the amount was less than \$1, as well as endorsements where the return or additional premium were for less than that amount. The amount of time expended and expense in completing these items by the ceding and assuming companies did not warrant the collections, particularly on endorsements where over a period the one would probably equal the other. A number of companies today have in effect agreements covering these points. It is left to the individual member to bring to the attention of his company matters of consideration.

Membership, now almost 100 reinsurance specialists in the New York metropolitan area, represents 25 companies as well as the eight major fire groups. Its success has resulted in inquiries from men doing similar work in other cities. Last year, because of the interest shown a new charter and by laws was adopted to enable men in other branches of reinsurance to be eligible for membership.

The club was founded in 1934 through the reorganization of an impromptu group called the All American Reinsurance Specialists Assn.

Kentucky Agents to Hold Regional Meeting

Kentucky Assn. of Insurance Agents will hold a regional meeting at Covington Friday. M. G. Herndon, Washington representative of National Assn. of Insurance Agents, will speak and President S. C. Barnes, Elizabethtown, will report on the N.A.I.A. San Francisco meeting. Martin Boedeker, Louisville, Royal Exchange, and G. J. White, supervisor U.S.F.&G., will discuss developments in the fire and casualty fields. There will be a luncheon and the meeting will adjourn in the early afternoon.

Orville Noel, Covington, is in charge of local arrangements.

W.I.B. Is Collaborator

In reporting and editorializing on the two hand books that have been gotten out in the west on operating a local agency and on writing policies, THE NATIONAL UNDERWRITER inadvertently referred to these as being gotten out by Western Underwriters Assn. These booklets are a venture of Western Insurance Bureau and W.U.A., under the joint public relations committee of the two organizations.

An enormous demand has developed for these books, not only in the west but throughout the country.

D. C. Agents Outing June 24

WASHINGTON—Election of officers of Insurance Agents Assn. of the District of Columbia will be held at the outing June 24, at Indian Spring Club.

Ark. Agents Mark Successful Year at Annual Rally

Legislative Achievements Celebrated—Leon Wernitz Elected New President

HOT SPRINGS, ARK. — A record attendance of 447 marked the 49th annual convention of Arkansas Assn. of Insurance Agents here last week, as the organization met in a jubilant spirit following one of the most successful legislative years in its history which saw enactment of its agents' qualification law last February after a long, six year effort toward this goal.

Leon Wernitz, Fort Smith, was elected president and W. Dan Cotton, Little Rock, was chosen vice-president. Robert Maxwell, Texarkana, was reelected state national director. C. C. Mit-chener, Marianna, who this year was attending his 35th consecutive convention of the Arkansas association, and who formerly had been its secretary for 29 years, continued on in his lifetime post, as secretary-emeritus. Retiring President Sterling Frank, Dumas, becomes chairman of the executive committee. Miles O. Moore is association manager.

The convention got under way with the report of Mr. Frank, who stated that the association membership stands at the all-time high of 285 and 99.9% of the 1948-49 dues have already been collected. (CONTINUED ON PAGE 17)



Leon Wernitz

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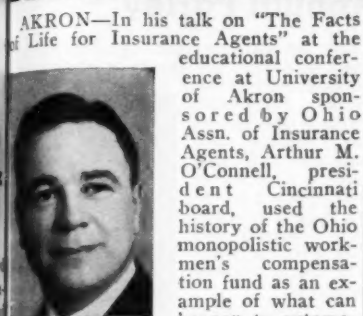
business

New York Underwriters Insurance Company

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New York

Blind Attitude Can Lose Auto Business to State



A. M. O'Connell

AKRON—In his talk on "The Facts of Life for Insurance Agents" at the educational conference at University of Akron sponsored by Ohio Assn. of Insurance Agents, Arthur M. O'Connell, president of Cincinnati board, used the history of the Ohio monopolistic workmen's compensation fund as an example of what can happen to automobile and other lines of insurance if those in the business do not keep up with the public demand and watch legislative developments. He spared neither companies nor agents in his criticism of their mistakes in the past and their apparent present shortsightedness.

As to the present automobile insurance picture, Mr. O'Connell said: "Agents are not selling insurance to all who need or could get it. Companies are looking at the small end of the funnel, denying coverage to minors, taxi operators, long haul truckmen. We are collectively ignoring the great public demand for financial responsibility. We are collectively setting the scene for a compulsory system of compensating those who are injured by operation of motor vehicles."

At Mercy of Legislature

Mr. O'Connell emphasized that the whole insurance business and particularly liability insurance, is a creature of legislation. It could be wiped out overnight as few other businesses could. When legislators debate about housing bills, they know they cannot build houses, and they know they cannot treat sick people when they discuss socialized medicine. But they have no such feeling about the insurance business, from a viewpoint of either underwriting or sales.

Pointing to the workmen's compensation parallel, Mr. O'Connell said that prior to 1911, while fire insurance predominated in insurance offices, every metropolitan agency had a substantial volume of employers liability insurance business. During the first decade of the century, public feeling rose increasingly against the common law rules of employer liability and in favor of workmen's compensation, which we now take for granted, but which then seemed revolutionary. Newspapers and labor unions joined the fight and soon political leaders were on their side, but the insurance companies and their agents resolutely kept their heads in the sand and blindly opposed any change in the existing order.

Could Have Avoided State Fund

In 1911, after several unsuccessful attempts, the first Ohio compensation law was passed. Unquestionably, its proponents would have accepted either insurance in private carriers or a competitive state fund, had the insurance interests been willing to compromise. As it was, the first bill did not eliminate private insurance. It set up a state fund, but permitted—as the West Virginia law still does—an employer to qualify as a self-insurer by posting a bond and to reinsure this liability in a private carrier, and considerable business was written on this basis. However, insurance interests continued to agitate for repeal and also hammered at the constitutionality of the law.

This, Mr. O'Connell said, joined the issue. It was the insurance companies and their agents against Gov. J. M. Cox, powerful newspapers and organized and unorganized labor. The constitutional convention of 1912 took care of possible constitutional objections and the legislature, in keeping with Gov. Cox's

election pledge, created the present monopolistic fund and "Ohio insurance agents lost forever, I am afraid, the opportunity to serve as do those of most other states."

Fortunately, Mr. O'Connell said, the automobile insurance business grew so fast that most Ohio agents did not feel for long the loss of employers liability

business and never realized their potential workmen's compensation loss. But now that is threatened. Describing the present bill before the Ohio legislature to set up a monopolistic automobile accident compensation fund, Mr. O'Connell said it probably will not pass this year, but it will remain a threat and there is always the possibility of a referendum putting it over. Already the stage is set for a parallel with 1911—labor would surely favor such a bill, at least one powerful newspaper chain has already backed it and it is not hard to envisage a candidate for governor endorsing

ing it. While there are many specific objections to the proposed bill, the sentiment for automobile compensation cannot be overcome by blind opposition or by calling its proponents visionaries and crackpots. There is no reason to assume that its backers would oppose private insurance, if the insurance business would adopt any attitude but blind opposition.

Mr. O'Connell emphasized that insurance agents cannot depend upon insurance companies to fight their battles for them. The agents have power, if they

(CONTINUED ON PAGE 19)



Here's a (two) horse power fire engine that's a far cry from today's mighty machines. It's an endless apron machine, combined with a force pump. The pump was driven by a crank motion actuated by a pair of bevel gears. And poor Dobbin had to drag the rig home from the fire!

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WE have been active in the fight against fire and other losses

for nearly a century. We know that remarkable progress

has been made. However, tremendous losses still occur. It is the responsibility

of all insurance folks to work harder than ever to combat this waste.

Watertown has a model fire ordinance. If your community

does not have one, let us send you a suggestion.

Every Type of Property Insurance for Industry and the Home.



N. Y. Savings Banks Forum Elects Smith President

NEW YORK—Paul Smith, American Savings Bank, was elected chairman of Savings Bank Insurance Forum of New York at the annual meeting here. George P. Slayback, Jr., Brooklyn Savings Bank, is vice-chairman; James B. Dunlaevy, Bank for Savings, secretary, and Joseph R. Hoyt, Drydock Savings, treasurer. The new officers, all of met-

ropolitan New York, take office in September.

New York Fire Insurance Exchange has rescinded its rule 25a, Fred Baker of Manhattan Savings Bank, reported. This required specific enumeration of records in order to secure replacement of records coverage. The rule was found to be not feasible.

Can Buy Cover in Contents Policy

Insured can now buy cost of record reproduction insurance with an endorsement to the contents fire policy. Mr. Baker explained it does not cover cost of compiling data that goes into records, but insures physical records and labor

of transferring information to them. The coverage can be purchased in lump sum at the contents fire rate, the amount being added to the face of the policy. Coinsurance is applicable, and he suggested that inasmuch as the cost of replacement of records has to be estimated, the buyer should be sure the estimate is enough and that the regular fire coverage on contents is up to coinsurance.

Insured with valuable papers policy probably does not need fire coverage on this item, and it might be well definitely to exclude record replacement in the contents form, under such circumstances, to be on the safe side as to coinsurance, Mr. Baker commented.

Determining Mortgage Coverage

Banks have always had some difficulty determining the amount of insurance the mortgagor should furnish, Bertram Van Buskirk of the Dime Savings Bank said. It is often difficult to get 100% coverage from the mortgagor. Yet there probably is a minimum the bank should ask for to be certain it will come out whole in case of loss. Consequently, Mr. Van Buskirk has worked out the following formula:

Find the present insurable value, get the coinsurance requirement, deduct the appraised land value from the balance due on the mortgage (this value is shown in the inspection report). Then divide the appraised value of the building, also shown on the inspection report, into the result of this deduction. The answer represents the amount of cents on the dollar that the bank should receive for every loss. The next step is to multiply the coinsurance requirement by the amount of cents arrived at above. The answer is the minimum amount of insurance required adequately to protect the mortgagee, he said. He has tested the formula, but asked other forum members to do likewise. So far as he can determine, the formula produces a safe amount in all cases.

By-Laws Committee

A committee was named to bring by-laws up to date and to provide that the slate of officers be furnished members far enough in advance of the annual election so that they may know for whom they are voting and will be able to nominate others. Members are Mr. Baker, Mr. Smith, Bertha Jones, Jamaica Savings Bank, William Owens, Immigrant Savings Bank, and Harry P. Roeding, Ridgewood Savings Bank.

The annual dinner at the Hotel Shelton June 9 will feature a talk by Miss Bess Bloodworth, vice-president in charge of personnel at Namm's department store, Brooklyn. She is a public relations consultant.

Miss Ruth Barth, Franklin Savings Bank, took a bow. She recently placed highest scholastically in the insurance course of the American Institute of Banking.

Rudolph Fichtel, Savings Banks Assn. of New York, showed a film prepared by that organization, "A for Achievement".

Central Manufacturers Designates Three Officers

Central Manufacturers Mutual has elected W. E. Shackley treasurer; S. M. Waugaman agency secretary, and Charles M. Purmort, Jr., assistant secretary.

Mr. Shackley has been with the company for 21 years in the accounting and auditing department. Mr. Waugaman has been manager of the southeastern department. He was formerly special agent in Indiana, Kentucky and Michigan.

Mr. Purmort has worked in both the home office and field, and is presently in charge of the research department.

Harry T. Beckman and F. W. Purmort, vice-presidents, were elected to the board.

Roger M. Hanauer has established an agency at 2395 University avenue, St. Paul.

Miss. Agents Hold Forth in Annual Parley

The annual meeting of Mississippi Assn. of Insurance Agents is being held at Edgewater Gulf Hotel, Edgewater Park, Miss., Thursday, Friday and Saturday of this week. The directors' meeting is being held during the day Thursday and that evening there will be a seafood jamboree.

The next morning there will be addresses by Commissioner White of Mississippi; Ellis H. Carson, executive vice-president of National Surety, on "The Emphasis is on Production"; O. Shaw Johnson of Clarksdale, Miss., vice-president of N.A.I.A., and Maurice Hartson, Jr., New Orleans local agent, on "A Prophecy-Profits."

At the dinner Mr. Johnson will be given special recognition and the speaker will be Clayton Rand of Gulfport, well known after dinner speaker. The next morning there will be two panels with J. P. Schwartz of Schwartz & Nelson agency of New Orleans as chairman. On the panel "What it Costs to Run an Agency," Mr. Schwartz' collaborators will be these Mississippi local agents: H. C. Roberts of Canton; Warner Wells, Jr. of Greenwood; Harris Holland of Columbus and Eugene Persich of Biloxi. At the panel on "Agency Office Simplification" the members will be Mrs. Robert Brannin of Starkville; Mrs. Margaret E. Tracy of Gulfport and Mr. Wells and Mr. Roberts.

The two upper floors of the old Post-Intelligencer building at Seattle have been leased by Allstate, which will move soon from the Dexter Horton building. Allstate's present quarters will be taken by Northwestern Ins. Co.'s home office.



Ellis H. Carson

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1720

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Appraisals today serve a two-fold purpose—establish values for insurance—replacement reserves for accounting purposes, a realistic basis for reconciling book costs with present-day facts.

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Over Fifty Years of Service
OFFICES IN PRINCIPAL CITIES

Holland Tunnel Loss May Reach \$1 Million

NEW YORK—A special all risk pier and tunnel policy was carried by Port of New York Authority, effective after the first \$250,000 of loss, and will apply to the damage done when a 16 ton trailer truck loaded with carbon disulphide exploded last week in Holland Tunnel, which connects New Jersey and New York City. It is too early yet to estimate accurately the property damage, but a preliminary guess is from \$500,000 to \$1 million. The \$18½ million coverage is written in more than 50 companies. The port authority carries U. & O., but it is not effective till after 30 days from time of damage and the Holland Tunnel was back in use about two days after the explosion. The chemical generated heat of 4,000 degrees Fahrenheit, crumbled the tile and reinforced concrete inner shell of the tube for around 300 feet and practically melted 18 other motor vehicles nearby. The outer shell was pronounced intact. The occurrence took place on the Jersey side, at a point where the tunnel dips under the Hudson river.

No Fatalities

About 65 persons were overcome by the noxious gases, but miraculously there were no fatalities. Several persons, principally firemen and port authority personnel, are seriously ill as a result of the exposure. The authority does not carry liability insurance.

American Telephone & Telegraph did not carry insurance on the cables damaged in the Holland Tunnel. These included television coaxial cables and most of its long distance trunk lines to the west. On some long distance lines the corporation does insure 50%. Western Union also had cables in the tube, which were melted.

The carbon disulphide was manufactured by the J. T. Baker Co. at Penn Yan, N. Y., went to Boyce Motor Lines in Jersey City, and then Friday morning were started by truck to a Brooklyn pier for shipment overseas. Not all of the facts are in, including whether the chemical manufacturer

gave a receipt or bill of lading at time of shipment at Penn Yan, and whether the truck was plainly marked as carrying dangerous chemicals. I. C. C. is interested, along with the district attorney of New York, Hudson county (N. J.) attorney, the fire marshal's office, and others. Heavier penalties by state law

for violation of tunnel regulations will be asked of both legislatures. The truck carried 48,536 pounds of carbon disulphide in 80 55-gallon drums, though regulations limit shipments to 1,000 pounds or 100 gallons.

At this point, legal observers believe the port authority has a good defense under governmental sovereignty, derived from the two states of which it is the corporate creature. The authority has argued to this effect in the past, though so far as is known the immunity has not been seriously tested in the courts. Attorneys don't think that

what is presently regarded as the "willful and voluntary act" of a truckman can be attributed to the port authority merely because the latter does not inspect every vehicle or review the bill of lading of every vehicle that goes through the tunnel. These observers also believe the insurers of tunnel damage and the port authority for the \$250,000 share of damage it assumes under its insurance have a good case of subrogation somewhere back along the line of shipment of the chemical, either to the trucking concern, the chemical company, or both.

AUTOMATIC FIRE DETECTION and ALARM SERVICE



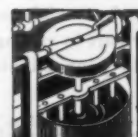
Automatic Fire Detection and Alarm Service



Sprinkler Supervisory and Waterflow Alarm Service



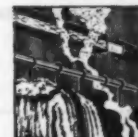
Burglar Alarm Service



Industrial Process Supervisory Service



Heating System Supervisory Service



Automatic Smoke Detection and Alarm Service



Holdup Alarm Service



Watchman's Reporting Service



Manual Fire Alarm Service

Records of large-loss fires prove conclusively that fire protection measures are not adequate unless they include dependable means for detecting and reporting fire automatically.

For unsprinklered properties, ADT provides Aero Automatic Fire Detection and Alarm Service. Aero is a combined pneumatic and electrical system which operates to give an alarm whenever the temperature in a protected area rises at an abnormally rapid rate.

No matter where fire may start... no matter what the hour of day or night... Aero automatically detects the incipient blaze and automatically summons fire-fighting forces.

This protection service is available through ADT Central Stations in principal cities of the United States. Elsewhere, the same protective systems, including all-important ADT inspections, tests and maintenance, may be provided for local operation or direct connection to fire or police departments.

Write for details on how ADT Services may be applied to effect better fire protection at less cost.

✓ #1 in a series presenting the principal ADT Services for the protection of life and property.

Reinsurance Question Is Before Many Legislatures

A number of the legislatures this year have received bills referring to reinsurance in non-admitted companies. In California there is a bill that has passed the senate that introduces restrictions on such reinsurance and there was also a restrictive measure in Colorado. However, in other states the bills liberalize such reinsurance transactions. The Michigan legislature has passed a bill relaxing the restrictions and procedures that are required to get departmental approval of reinsurance with non-admitted companies. In Ohio the senate has passed a bill permitting fire companies to reinsure in non-admitted companies under certain conditions, one being that the ceding company must have operated in Ohio at least five years. Presently there has been a flat prohibition against reinsurance of Ohio risks in non-admitted companies. Texas, which also has had a flat prohibition, is giving consideration to a liberalizing bill that is sponsored by the department. Liberalizing bills are also pending in Tennessee and South Carolina.

Neb. Tax Increased

The Nebraska legislature has passed a bill increasing from .375% to .5% the state fire marshal tax. Domestic mutuals and assessment associations will pay .25% instead of .125%. The exemption from tax of domestic mutuals and assessment associations operating in a third or less of the counties is removed.



In addition to the prompt and efficient handling of alarms, ADT Service includes the following all-important fundamental features, without which there is little assurance that any protective signaling system will function properly when an emergency arises:

- CONTINUOUS SUPERVISION
- REGULAR INSPECTIONS and TESTS
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Central Stations in All Principal Cities

A Simple Equation... with a SIMPLE ANSWER



CP + M x MT = \$711,000,000.00

In other words—

CP (careless people) plus M (matches) multiplied MT (many thousands) = \$711,000,000.00, the annual fire loss in the United States. There is a simple answer which can reduce this equation to a very great extent—that is carefulness at all times. Won't you do your part in calling this most important matter to your clients and friends?

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THE UNION MARINE & GENERAL INSURANCE CO., Ltd.
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PHOENIX INDEMNITY COMPANY

FIRE PREVENTION ? What's in it for Me?

What you get out of fire prevention work depends on what you put in. An active part can win you friends, profits, prestige. And... if your efforts should save a building or a life... you'll get a deep-down satisfaction that money can't buy.



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Miazza Succeeds McCurdy as G.A.B. Southwestern Head

J. F. Miazza, assistant general manager of the southwestern department of General Adjustment, will become general manager of that department on June 1 when T. C. McCurdy, general manager, retires after 40 years in the adjusting field.

Mr. McCurdy entered insurance with Trezevant & Cochran in Dallas in 1905. After four years experience in various departments, he began adjusting losses in 1909. He then went with the Bates Adjustment Co. He was a partner and organizer of the Southwestern Adjustment Co. in 1920. He became manager of the Texas Adjustment Co., a company owned organization, when it was formed in 1925, and continued as its head until 1931 when that organization became the G.A.B. southwestern department. He was then appointed assistant general manager and became general manager in 1936.

Mr. Miazza began his adjusting career with New Orleans Adjustment in 1919. When that organization merged into the bureau in 1934, Mr. Miazza was appointed general adjuster in the southwestern department. He was advanced to assistant general manager two years later with headquarters at Dallas. In addition to his executive duties, Mr. Miazza has supervised all types of catastrophe adjustment operations and is well known for his knowledge and skill in such matters throughout the country.



J. F. Miazza

State Officials of Two Zones Hold Sessions

The zone 2 commissioners had a two-day session at Columbia, S. C., and the next two days the zone 3 group held forth at Biloxi. Many of the industry representatives attended both sessions. Bowles of Virginia presided as chairman at the zone 2 gathering. The local life companies gave a banquet one evening and Commissioner Murphy of South Carolina was host at a lake party another evening.

The zone 2 group went on record as favoring an amendment to the N.A.I.C. examination procedures whereunder a zone in which an insurer has \$1 million or more of premiums would be invited to participate in an association examination.

The rating committees at Columbia discussed the idea of promulgating filing procedure rules for rating bureaus and companies similar to those adopted in Ohio, but no action was taken. There was also a discussion of the fire insurance rating of certain large rubber risks in Ohio.

The meetings at Columbia were open to the industry representatives, but the business sessions at Biloxi were closed.

The chairman of the zone 3 meeting was Cravey of Georgia. Also discussed there was the idea of uniform filing procedure rules but the decision was to take no action without first giving the industry an opportunity to be heard.

Lamar Life was host at a shrimp jamboree dinner at Biloxi.

The tentative meeting of zone 4 commissioners that was to have been held at Chicago just prior to departure for the Seattle convention of N.A.I.C. has been called off. This meeting was to have continued discussions that were started at the Detroit meeting, on the idea of promulgating uniform rules for filing procedure.

Cincinnati Board Raps Letters Plan

Cincinnati Fire Underwriters Assn. declined to endorse the "Letters for Freedom" project voted by the national board of state directors of National Assn. of Insurance Agents at San Francisco recently. There was no official vote at the meeting of the Cincinnati board last Thursday, but sentiment was overwhelmingly favorable to the report of the governing committee that, while there is no reason why any insurance man should not express himself on any matter on which he has an opinion, an insurance organization should not get itself into controversial matters which have no direct connection with the insurance business. The members were told that the Massachusetts association and Springfield (Ill.) board have taken similar action.

Cincinnati board is not coextensive with Ohio Assn. of Insurance Agents, but the sentiment of the Cincinnati agents will be reported to the Ohio association, as a matter of information.

J. C. O'Connor, editor "Fire, Casualty and Surety Bulletins" and associate editor THE NATIONAL UNDERWRITER, spoke on current trends in the business. He pointed to the phenomenal and almost unbelievable growth of the automobile insurance business, with premiums doubling since 1946 and quadrupling since 1936, as a compelling reason why automobile insurance, at least for practical purposes, must be regarded as a public utility. This means, he said, that the public is and will be extremely sensitive to every development in automobile insurance and the insurance business must be constantly on the alert for legislative proposals and should try to give the public what it wants before any course of action is forced upon it. President A. M. McConnell reported on legislative developments at Columbus.

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—all forms of fire,
marine and casualty
insurance and fidelity
and surety bonds.

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Senate Probes "Kickbacks" on Marine Cover on Exports Financed by U. S.

The Senate investigations subcommittee headed by Hoey of North Carolina held a hearing Monday on a reported diversion of \$125,000 from the \$40 million loan to Poland to pay "kick-backs" to freight forwarders and marine insurance brokers.

Hoey stated that according to a preliminary investigation, invoices for marine insurance have been padded so the broker could make kick-backs to the freight forwarder, which was Pan-Atlantic, Inc. of New York. The latter arranged for the cargo insurance which was written by Marine Office of America through the Kurt Jackmann brokerage firm of New York. Mr. Jackmann is an Austrian refugee.

Committee investigators stated that the insurance rate for the Polish cargoes was set at 30 cents by Marine Office of America. The broker asked that the business be quoted on a discount rate under which the insurer would get the 30 cents less 10% commission, but the broker could charge Pan-Atlantic an additional 15% and have it appear on the invoice.

Otto Friedjung, employee of Jackmann, testified that his firm paid Gustav Vogel, former official of Pan-Atlantic, \$93,000 as discounts and commissions on marine coverage of goods purchased by Poland with a U. S. loan. Carmine S. Bellino, accountant for the Senate committee, said that Vogel got \$132,170, and that Pan-Atlantic books did not indicate it received any of the money.

George S. Inselman of Marine Office of America testified that the discount rate was "common trade practice" and it was the broker's business what he did with the money. He said on some Polish shipments the premiums were increased 18% at the request of the broker, who then allowed a 15% discount.

Continental wrote the policy in this case, it was stated, on which the total premium was \$600,000. Pan-Atlantic paid the broker that amount by check, according to William Rogers, committee counsel, and the broker got back \$100,000 in cash which was handed back to Pan-Atlantic. It was not traced further at hearings early this week. Representatives of Pan-Atlantic were scheduled to testify Wednesday.

Bohlinger Testifies

Alfred J. Bohlinger, New York deputy superintendent, testified the practice under investigation is illegal, and for the freight forwarders to keep the money. They act in fiduciary capacity, it was said, and would be supposed to return the money to the insured. He said New York's anti-rebate law doesn't apply to marine and a broker may split this commission if he wishes.

Mr. Inselman said the cost of insurance and costs of products Poland bought here were charged off against the loan; that he did not know why insurance brokers did business that way; that such "discounts" were common practice in the marine industry, and that the cost of the insurance was the same ultimately.

"This is a concealed charge," said Mr. Rogers. "The government was billed 15% more than it should have

been."

It was indicated that the Export-Import Bank is in the clear. It was handed what appeared to be a proper insurance bill, and paid it. Walter C. Sauer, bank vice-president, and its examiner, W. D. Dennison, testified they knew nothing about marine kickbacks.

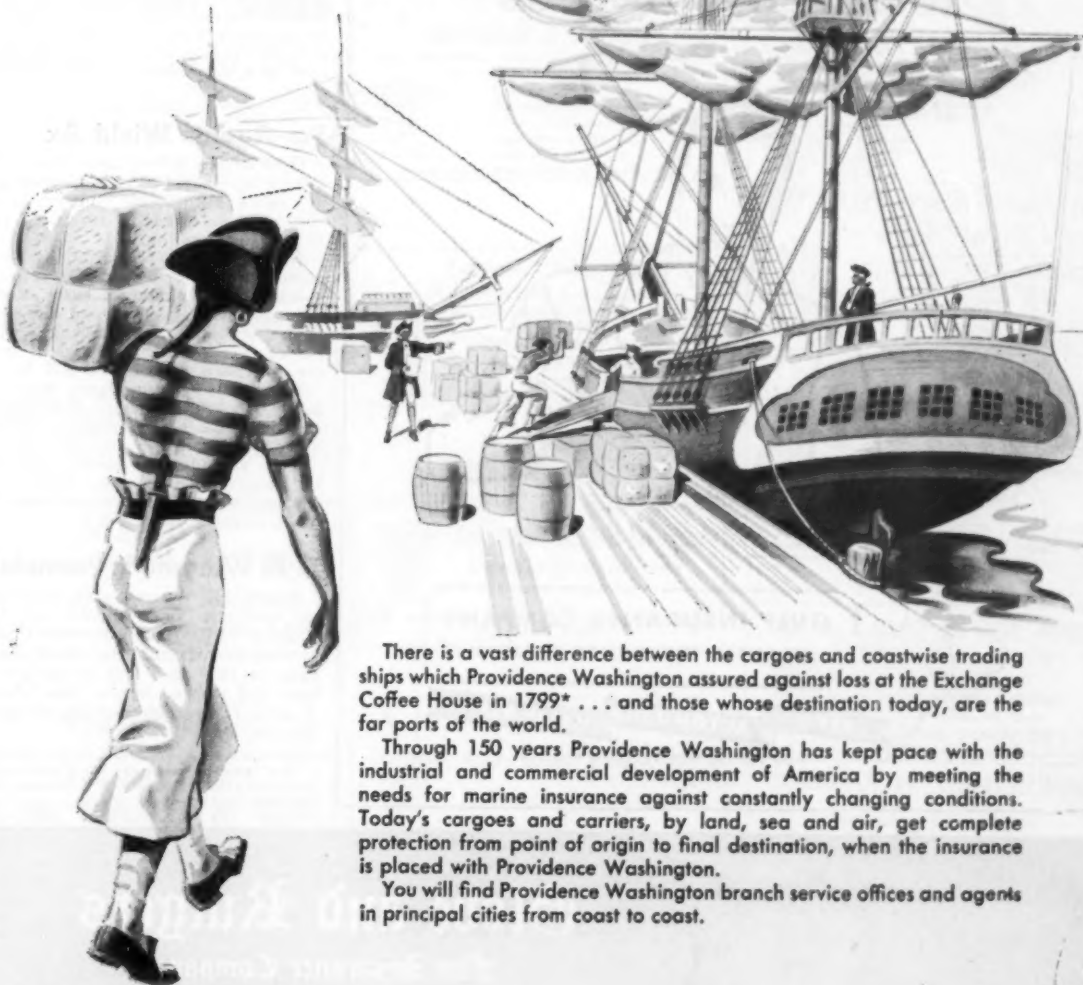
The Congressional Record digest said the investigation concerns "complaints that in certain foreign shipments, financed by U. S. funds, the invoices submitted to the government were padded or inflated to permit certain freight forwarders to receive cash kick-backs on ocean marine insurance."

The committee announced it is "investigating these complaints because the U. S. is financing projects throughout most of the world, and every effort should be made to insure that our American dollars, made available for the

aid of foreign countries, are not siphoned off into the hands of unscrupulous and self-seeking individuals rather than being used for the legitimate and worthy purposes for which they were intended."

Marine people say freight forwarders sometimes over-charge private shippers for insurance: that under open-cargo policies, the forwarders increase premiums to such shippers. Sometimes the rates specified on the bill are subject to a discount so as to throw competitors off the track.

PROGRESSIVE PROTECTION for 150 Years



There is a vast difference between the cargoes and coastwise trading ships which Providence Washington assured against loss at the Exchange Coffee House in 1799* . . . and those whose destination today, are the far ports of the world.

Through 150 years Providence Washington has kept pace with the industrial and commercial development of America by meeting the needs for marine insurance against constantly changing conditions. Today's cargoes and carriers, by land, sea and air, get complete protection from point of origin to final destination, when the insurance is placed with Providence Washington.

You will find Providence Washington branch service offices and agents in principal cities from coast to coast.

**A Rhode Island ship, perhaps seventy feet overall, bound for the West Indies, would take on a mixed cargo; four or five horses, several hundred hens and geese, barrels of apples and fish, a large lot of native cheese, clapboards, and staves. These the captain would trade for sugar and allied products.*



New Wiseman Setup

Fred R. Bunting is no longer connected with Wiseman & Bunting, independent adjusters of Washington, D. C. The firm will now operate as Wiseman & Co., and will concentrate its attention on the adjustment of fire, inland marine and automobile losses. It will no longer operate in the field of casualty claims. The firm was originally Robert L. Wiseman.

Malheur Assn. of Insurance Agents has been organized with Bernard Eastman of Nyssa, Ore., as president.

ANCHOR INSURANCE COMPANY, PROVIDENCE WASHINGTON INSURANCE COMPANY, PROVIDENCE, R. I.

L. & L. Head Office Results Are Reviewed

Sir Arthur S. Rogers, chairman of London & Lancashire, at the stockholders meeting, reported that the total premium income last year was £16,330,088, which was an increase of £1,525,877 and there was a profit of £1,313,650 or 8.04% against 5.79% the previous year.

In the fire department there was an increase in premiums of £574,113 and a profit of £540,054 or 7.9%.

In the accident department there was a fair profit at home and in spite of the loss of much workmen's compensation insurance, which is now embraced by the state social insurance scheme, there was an increase in accident premiums at home of £60,979. The

U. S. gave a profit principally attributable to the increased automobile rates. The experience of 1949 will demonstrate whether the increases in rates in the U. S. have been sufficient to remedy the poor showing of the past several years.

The accident department as a whole produced premiums of £5,487,114, which was an increase of £601,155 and there was a profit of £234,772 or 4.28% as against .36% the previous year.

In the marine department the premium income was £4,070,131, an increase of £350,609, the profit was £538,824 or 13.24%.

Sir Arthur said that the recent increase in the volume of marine premiums is coming to an end. The marine market has had a very favorable experience for the last five years, but there are signs that this experience is encouraging keen competition at rates which many underwriters regard as uneconomic.

The total amount that L. & L. must

contribute for United Kingdom taxation is estimated at £1,058,033.

He pointed out that in 1930 when the last real increase of dividend to stockholders was made, the capital and funds of London & Lancashire amounted to £11,541,113 on which the net interest was £525,184, whereas now the capital and funds are £20,426,413 and the net interest, after deducting profits tax of £110,000 applicable thereto is £418,481. "These figures," he observed, "will illustrate the effect of present day taxation and the reduced yield from our investments."

"Insurance in its many and varied forms is not an easy business to conduct," he declared, "and what is acceptable in one country may be quite unacceptable in another. Consequently, operating as we do internationally, we are full of problems, not only underwriting problems, but in a disturbed and changing world, the problems of finance and legislation. We cannot object in this era of growing nationalism to countries laying down their own laws for the regulation of the operations of an alien company, and for imposing essential safeguards."

"Whilst we meet these problems as they arise, we do more than that, in that we try, by our good conduct in all countries where we operate and by fulfilling our primary duty, which is service to the individual and the extension of the commerce of the countries, to so conduct our business that, if we are challenged or indeed attacked in any way, we have a clean record to show."

Pa. Agents Wield Ax

HARRISBURG—Legislation which agents say would have weakened Pennsylvania's automobile finance laws of 1947 was defeated by organized agents at the 1949 session.

Amendments, sponsored by finance company interests, would have allowed a "package" including a letter of credit, fire and theft, and group life, to go with automobile financing without choice of the individual who is making the purchase.

Under the existing laws, which have been in operation nearly two years, the consumer has the privilege of selecting his own insurer.

The amendment passed the senate but was killed in the house largely through activities of Pennsylvania Assn. of Insurance Agents.

R. H. Wingate Is Promoted

Roger H. Wingate has been named an assistant vice-president of United Mutual Fire. He heads the loss prevention department. He joined the company in 1939 as a loss prevention engineer and worked in the New York and Atlanta offices before being assigned to Boston.

The Postle agency of Cleveland has incorporated by Edward E. Grace E., and Patrick Postle.

Laxity in Safety Rules Charged in Texas City Suit

HOUSTON — Attorneys for the plaintiffs in the \$200 million suit against the government for responsibility in the Texas City explosion have submitted evidence to support their contention that the government let safety precautions slide in an effort to build up production during April 1947. They charge that the high temperatures at which the fertilizer was bagged and shipped were partly to blame for the disastrous explosion.

Among the official correspondence introduced in evidence were complaints from fertilizer plants that they could not meet production quotas if the bagging temperatures were cut back as ordered after the disaster.

Despite a government inspector's recommendation that ammonium nitrate fertilizer be loaded into railroad boxcars at a temperature of about 120 degrees Fahrenheit, the government continued to authorize loading at temperatures of 180 to 210 degrees, evidence introduced by the plaintiffs showed.

Breakage Became Serious Concern

Also introduced was evidence to show that contamination of ammonium nitrate fertilizer resulting from bag breakage in shipment became a matter of serious concern to the army after the disaster. This concern, the attorneys charge, was not shown before the explosion of 1947. One exhibit was an order from the chief of army ordnance in April 1948, that effective steps must be taken to stop the breakage which had been brought to the attention of the joint army-navy safety board.

Assistant United States Attorney Joseph W. Cash objected to the introduction of exhibits which bore a date after the Texas City disaster. Federal District Judge T. M. Kennerly in each instance said he would consider the objection with the case.

Reports of tests to show that burning cigarettes will not readily ignite ammonium nitrate fertilizer nor the bags in which it was packed were also introduced. The tests were made by A. C. Hutton, bureau of standards, in December 1947, after the explosion. The tests showed that wet ammonium nitrate would burn flamelessly close to the area where the cigarette lay, according to Hutton, but that the fertilizer was less susceptible to the cigarette's glow.

George W. Jones, explosive expert with the federal bureau of mines at Pittsburgh, testified by deposition that he believes many lives would have been saved if the ammonium nitrate had been regarded as dangerous material. The firefighters who fought the fire aboard the French steamship, Grandcamp, did not realize the hazards involved, he said, basing his statements on his own investigations of what happened.

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Condemns "Taking Care" of the Non-Producers

The paternal attitude of government has been transmitted all down the line and the idea of taking care of non-producers is a costly procedure affecting insurance as well as any other business, Hugh D. Combs, executive vice-president of U.S.F. & G., said in his address at the Arkansas meeting. More liberal interpretations on workmen's compensation cases and higher jury verdicts have contributed to the increased cost of insurance, and as this cost increases, Mr. Combs pointed out, buyer resistance is encountered.

The high cost of collision insurance has prompted many persons to discontinue carrying it and to become self-insurers. Other insured have reduced the amount of insurance carried. As an answer to the man who wants to save money by reducing the amount of his insurance Mr. Combs told the agents to point out that when income has been reduced or capital impaired there is more reason to protect what remains.

Mr. Combs also emphasized that retrenching on fidelity coverage is a dangerous practice. Periods of great prosperity or inflation with attendant recklessness produce larger fidelity losses, but frequency of losses occurs during periods of stringency. Accident insurance is a valuable coverage in good times or bad, and A. & H. policies are so reasonably priced that little sales resistance is encountered. The signing of an accident policy frequently is the opening wedge for profitable future sales in other lines.

Another fertile field for increased production, should agents be reduced to harder work, is in the fire line on household furnishing coverage, Mr. Combs declared. Most men buying this form reach into the air for a figure, but recently a man who had \$6,000 of such coverage was astonished to find the replacement cost of his furnishings was \$32,000. An enterprising agent caught him in the evening, pulled out an inventory book and in a few minutes convinced the client that his insurance was entirely inadequate. This field is wide open for profitable development.

The day of the order taker for insurance is past, Mr. Combs said. Policies are too numerous and have too many complications to be sold by the unskilled. The agent of today must know the product he is attempting to sell and the company he represents. Poor claim service, reluctance to pay or recourse to technicalities in fixing payments when practiced by a company can seriously affect an agent's business.

Attorney Discusses Legal Aspects of I. M. Claims

NEW YORK—Inland Marine Claims Assn. of New York at its May dinner heard George Gross of Powers, Kaplan & Berger, attorneys, discuss the legal aspects of claims and trace the history of independent adjusting as a legally recognized profession.

"Can a claim for a garment which has been scorched by a maid who is ironing it be satisfied?" was one question asked. Although many members said it would be covered under the repairing and renovation clause, Mr. Gross construed that clause as meaning work done outside the home. He was convinced that a jury would see it that way too. Mr. Gross pointed out, however, that all policies under scrutiny show ambiguities. He recalled the 1938 hurricane which swept over Long Island. Although extended coverage No. 4 specifically excludes tidal wave, a \$400,000 claim was sustained in court and awarded to a plant which was a victim of the disaster. The claim had been made on the ground that the tidal wave was a natural result of the hurricane and was, therefore, to be covered.

"Is burglary in an inhabited trailer covered by the P.P.F.?" Many members said "no", but Mr. Gross said that under burglary there is coverage for "in-

closures" and in this instance, the trailer is an inclosure for dwelling purposes.

In one case several hundred dollars' worth of orchids were killed. The private hot-house where they were being kept was heated by pipes from the main house. The family was away for some time, but a caretaker was charged with keeping the heat at a temperature necessary for survival of the orchids. Through negligence, the caretaker allowed the oil to run out and the orchids were destroyed by the cold. Mr. Gross believes the policy excludes such a loss because it was caused by an extreme of temperature.

Buck New Chairman

S. M. Bumk, vice-president and western manager of Great American, has been appointed chairman of the governing committee of Western Underwriters Assn. This position has been held for the past several years by C. H. Smith of Hartford Fire. C. W. Ohlsen of Sun is vice-chairman.

IM.U.A. to Vote on New Atomic Fission Clause

NEW YORK—Inland Marine Und. Assn. has put to its members for vote a new war clause that would exclude loss occasioned by atomic fission or radio-active force in peace or war. The old exclusion was: "war, invasion, hostilities, rebellion, insurrection, confiscation by order of any government, public authority or risks of contraband or illegal transportation and/or trade."

The proposed exclusion is of loss occasioned by:

"(1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces;

"(2) any weapon of war employing atomic fission or radio-active force whether in time of peace or war;

"(3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade."

Cravens, Dargan Named

Cravens, Dargan & Co. of Houston have been appointed southwestern managers by Canadian Fire and Canadian Indemnity for Texas, Louisiana, Oklahoma and New Mexico.

Wichita Assn. of Insurance Agents held a forum meeting. Plans were announced for a buyers' clinic in October while the annual stag picnic will be held June 23.

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Curriculum Given for Conn. Management Institute

"Work Simplification" and "Salesmanship" are new courses of study added to the curriculum of the seminar of Institute for Advanced Agency Management at University of Connecticut, Storrs, Aug. 8-12, 1949. The institute is sponsored by the university, Connecticut Assn. of Insurance Agents and N.A.I.A.

The subjects and instructors are: Legal and tax problems of proprietorship, Dean L. J. Ackerman; office management, Richard J. Layton, Rough Notes Co.; work simplification, George Fortune, management engineer; analysis of agency expense, R. E. Farrer, N.A.I.A.; selection of agency personnel, Dr. Frederick M. Senf, Fainir-Bearing Co.; aptitude tests, Jack Klein, Klein Institute of Aptitude Testing; analysis of customers' accounts, Frederick Flynn, broker; advertising, Byron H. Clark, Peck Advertising Agency; salesmanship, John Adam, Jr., Boston University; effective speaking, William Meuble, Yale; public relations, Mr. Farrer; how to be a better agent, Roy A. Duffus, Rochester.

Agents in any part of the country are eligible for enrollment, although the class is limited to 55. They may make arrangements through W. H. Wiley, Connecticut Assn. of Insurance Agents, 99 Pratt Street, Hartford.

Three Company Men Slated to Address General Agents

Three speakers from the company side have been added to the program of American Assn. of Managing General Agents. The group will hold its annual meeting May 23 at the Commodore hotel, New York.

The added starters are Thomas F. Buchanan, vice-president of Aetna Fire group; William C. Moore, research and education director for General Adjustment Bureau, and Richard H. Bancroft, inland marine department secretary for St. Paul F. & M.

Multiple Line Procedure

The New York department has issued a memorandum setting forth the procedure and financial requirements in order to qualify to write multiple line risks pursuant to legislation enacted in 1949.

Convention Dates

May 19-21, Insurance Accounting & Statistical Assn., annual, Edgewater Beach Hotel, Chicago.

May 19-21, Mississippi agents, annual, Edgewater Gulf Hotel, Edgewater Park.

May 20-21, Texas agents, annual, Houston.

May 23-24, Casualty Actuarial Society, spring meeting, Stockbridge, Mass.

May 23-25, American Assn. of Managing General Agents, annual, Commodore Hotel, N. Y.

May 23-25, National Assn. of Mutual Insurance Agents, midyear, Haddon Hall, Atlantic City.

May 23-25, Southeastern Underwriters Assn., annual, Hot Springs, Va.

May 26, National Board, annual, Commodore Hotel, New York.

May 26-27, American Management Assn., insurance conference, Hotel Statler, New York.

June 2-3, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.

June 6, North Dakota Fire Underwriters Assn., Fargo.

June 7, South Dakota Fire Underwriters Assn., Huron.

June 8-10, National Assn. of Insurance Women, annual, Miami Beach.

June 14-16, Michigan Fire Underwriters Assn., Traverse City.

June 14-16, Tennessee Fire Underwriters Assn., Lookout Mountain Hotel, Chattanooga.

June 14-16, Illinois Fire Underwriters Assn., French Lick, Ind.

June 15-16, Missouri Fire Underwriters Assn., Lake of the Ozarks.

June 16-18, New England Advisory Board, summer meeting, Bretton Woods, N. H.

June 16-18, Virginia agents, annual, Hotel Roanoke, Roanoke.

June 22-23, Minnesota Fire Underwriters Assn., Robert's Pine Beach Hotel, Brainerd.

June 21-23, Wisconsin Fire Underwriters Assn., annual, Maxwellton Brae, Bailey's Harbor.

June 22-23, Indiana Fire Underwriters Assn., French Lick.

June 23-25, National Assn. of Independent Insurance Adjusters, annual, Book-Cadillac Hotel, Detroit.

June 24-30, National Assn. of Insurance Commissioners, annual, Olympic Hotel, Seattle.

June 28-29, Ohio Fire Underwriters Assn., Cedar Point.

June 29-July 1, International Assn. of Insurance Counsel, annual, Mt. Washington Hotel, Bretton Woods, N. H.

June 29-30, National Assn. of A. & H. Underwriters, annual, Hollenden Hotel, Cleveland.

Aug. 8-10, Federation of Insurance Counsel, annual, Moraine-on-the-Lake Hotel, Highland Park, Ill.

Aug. 22-24, International Federation of Commercial Travelers, Manor Richelieu, Murray Bay, Canada.

Aug. 23-26, Grand Nest of Blue Goose, Olympic Hotel, Seattle.

Aug. 28-30, Washington agents, Olympic Hotel, Seattle.

Sept. 1-3, Oregon agents, annual, Multnomah Hotel, Portland.

Sept. 5-9, American Bar Assn., insurance section, annual, St. Louis.

Sept. 8-10, Idaho agents, annual, Shore Lodge, McCall.

Sept. 10-14, Western Underwriters Assn., mid-year, Greenbrier, White Sulphur Springs.

Sept. 11-13, Pennsylvania agents, annual, Bedford Springs.

Sept. 11-13, Montana agents, annual, Baxter Hotel, Bozeman.

Sept. 12-13, Utah agents, Hotel Utah, Salt Lake City.

Sept. 12-14, National Assn. of Mutual Insurance Companies, annual, Salt Lake City.

Sept. 14-15, New Hampshire Agents, Wentworth Hotel, New Castle.

Sept. 15-16, New Jersey Agents, annual, Haddon Hall, Atlantic City.

Sept. 18-21, International Claim Assn., annual, Hotel Sagamore, Lake George, N. Y.

Sept. 19-22, National Assn. of Insurance Agents, annual, Stevens Hotel, Chicago.

Sept. 25-28, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, joint annual meetings, Hotel Greenbrier, White Sulphur Springs, W. Va.

Sept. 28-30, C.P.C.U., annual, Baker Hotel, Dallas.

Sept. 30-Oct. 1, Nevada agents, annual, Maples Hotel, Reno.

Oct. 19-21, Kansas agents, annual, Jayhawk Hotel, Topeka.

Oct. 10-12, National Assn. of Mutual Insurance Agents, annual, Congress Hotel, Chicago.

Davis Leaves Board for Textile Firm Personnel Post

Norman C. Davis, director of employee education of the National Board, has resigned to become personnel director of Burlington Mills, textile manufacturers.

For the past year and a half, Mr. Davis supervised an employee education activity sponsored by the National Board committee on public relations. He was editor of an executive bulletin, "Suggestions on Internal Public Relations," and compiled "Planning Effective Employee Handbooks," a guide to planning and preparing employee indoctrination booklets. He also organized the National Board's personnel conference program.

Mich. Discrimination Issue

LANSING—Charges that automobile and life companies have been discriminating against Negroes are contained in a concurrent resolution introduced in the Michigan senate. This provides for a joint committee to investigate.

A new partner, Robert W. Haines, has been added to the staff of John H. Burgard & Co. local agency at Portland, Ore.

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Pacific Board Holds Annual Gathering

Raymond L. Ellis, vice-president of Firemans Fund, was elected president of Pacific Board at the annual meeting at Coronado, Cal. Vice-president is S. T. Shotwell, North British.

Paul McKown, St. Paul F. & M., the outgoing president, reported that, in its advisory organization role, the board had established during the past year new state committees in California, Oregon, Idaho, Nevada and Alaska. These are in addition to committees for Utah, Montana and Arizona. Application as an advisory organization was submitted recently to Hawaii.

The committees were established for the purpose of becoming familiar with the laws, practices and problems of the various states and to make themselves available for consultation with insurance departments, producers, and others.

The president or some other designated member of the field clubs is now to be an ex officio member of each state committee.

The increased activities of the engineering department were reviewed in the report of the governing committee, read by Mr. Shotwell, as chairman. Report of the public relations committee was given by Hugh S. Coburn, Boston.

This was supplemented by a talk on "It's Your Business," by Herbert H. Kirschner, public relations counsel for the board.

Stimulating a floor discussion, an address on "Insurance Accounting Practice and Procedure" was given by C. E. Engstrom, chief cost accountant for Crum & Forster.

William B. Miller, vice-president of American, was elected to succeed John M. Wylie of Springfield F. & M. as president of Pacific Fire Rating Bureau at the annual meeting the day following the Pacific Board gathering.

Russell L. Countryman, Norwich Union was elected vice-president and the following for two years on the governing committee: Vernon C. Dargan, Gulf; H. C. Edmundson, America Fore; R. H. Griffith, Glens Falls; J. J. Haster, Swett & Crawford; Ed V. Oliver, Security of New Haven; M. H. Rodgers, New Hampshire and N. S. White, Home.

Fire Prevention Awards of National Board Made

Three gold medals and 19 honorable mention citations for outstanding public service in fire prevention during 1948 will be awarded to a daily newspaper, a weekly newspaper and radio stations, by National Board.

The gold medals, or \$500 in cash, will be awarded to Staten Island "Advance," Staten Island, N. Y., a daily; the Lapeer County "Press" of Lapeer, Mich., a weekly, and to radio station WOWO of Fort Wayne.

The Staten Island "Advance" was selected because of its intensive and dramatic news coverage of fire prevention, fire department and clean-up activities throughout the year.

An editor's three-year campaign for fire trucks for a Michigan county whose rural areas previously had been without fire protection won the gold medal for

Lapeer County "Press." Bob Myers, 27-year-old war veteran who is farm editor of his father's country weekly, made farm fires a page 1 story. He printed pictures of burning farm houses, pointing out in the caption that fire trucks would have saved them from destruction. When efforts to form a fire protection district failed, his paper posted money to assure response of city fire trucks to fires in rural areas, and he campaigned in local elections which resulted in the purchase of new fire trucks in several townships.

Today there are seven trucks that go to farm fires.

Staten Island WOWO's medal climaxes several years of service in fire prevention and safety. Although campaigning throughout the year, WOWO's comprehensive coverage of fire prevention week activities throughout the Fort Wayne area was outstanding. WOWO sponsored a mass fire drill among schools.

Fireman's Fund Assigns First of Marine Special Agents

Fireman's Fund has assigned its first marine special agents to jobs in the Pacific territory. The men who occupy the newly created posts are Harold B. Jones and Gordon J. Hodgkinson.

Mr. Jones will work out of Fresno. He has been special agent for Fireman's Fund in the east bay and north coast territory since 1940. He joined the head office staff of the company in 1924.

Mr. Hodgkinson will work out of Sacramento. He has been special agent in southern California for Commercial Union.

Similar appointments will be made in other territories in the near future.

San Francisco Insurance Accountants Assn. is holding its annual golf outing May 27 at the California Golf Club.

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Answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.

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By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, May 16, 1949

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Aetna Casualty	3.00	86	89
Aetna Fire	1.80*	54	56
Aetna Life	2.50*	54½	56
American Alliance	1.10*	25½	24½
American Auto	1.60	45½	47½
American Casualty	.80	12½	13½
American (N. J.)	.70	17½	18½
American Surety	2.50	58½	60½
Boston	2.40	66	68
Camden Fire	1.00	20½	21½
Continental Casualty	2.00	56	57½
Fire Association	2.50	61	63
Fireman's Fund	2.60	78½	80½
Firemen's (N. J.)	.50	16½	17½
Glens Falls	2.00*	49½	51
Globe & Republic	.50	10	11
Great Amer. Fire	1.30*	31½	33
Hanover Fire	1.40	31	32½
Hartford Fire	2.50*	125	127
Home (N. Y.)	1.30	29	30
Ins. Co. of North Am.	3.50*	105	107
Maryland Casualty	.50	14	15
Mass. Bonding	1.60	26½	28
Merchants Fire, N. Y.	1.15*	27½	28½
National Casualty	1.45*	26	27
National Fire	2.00	53	55
New Amsterdam Cas.	1.20	29½	31
New Hampshire	2.00	43	44½
North River	1.20*	25	26
Ohio Casualty	1.00	49½	Bid
Phoenix, Conn.	2.00*	84	86
Preferred Accident		3½	4*
Prov. Wash.	1.40*	33½	35
St. Paul F. & M.	2.25*	82½	83
Security, Conn.	1.40	34	35½
Springfield F. & M.	1.90	44	46
Standard Accident	1.45	33	34½
Travelers	22.00*	655	665
U. S. F. & G.	2.00*	52½	54
U. S. Fire	2.00	59	61

* Includes extras

Downey Seizes Cal. Business of Rhode Island

LOS ANGELES — Commissioner Downey of California, as conservator, Tuesday took possession of the California business and affairs of Rhode Island Ins. Co. and Pioneer Equitable under orders of the superior court of San Francisco county. This action does not terminate the business of the affected companies nor does it terminate

Jesse B. White, president of Rhode Island, issued this statement at San Francisco:

Rhode Island Ins. Co. was yesterday temporarily enjoined from paying its claims its return premiums or from transacting business with its California policyholders and agents. This action was brought by California insurance commissioner Wallace K. Downey in a stubborn and wilful attack on persons personally distasteful to him in the company home office management. The commissioner and his examiners have repeatedly stated in conferences that they were not concerned so much with

the alleged financial conditions of the company as with the removal of some of its officers. They have attempted to coerce the company into their removal by deals that if the change in management was effected no further hindrance would be placed in the company's path for the transaction of business in California.

The Rhode Island Ins. Co. repudiates completely any and all charges trumped up for the occasion that it is in any way impaired or that its continued operation in California is hazardous to its policyholders. On the contrary the company wishes to point out that its last certified annual statement shows a surplus to policyholders of over \$2 million, that it is at present undergoing the usual convention examination given to all insurance companies every four years, that the California department was invited to participate in that examination and accepted such invitation and then feeling that results of such examination by its own auditors might prevent them from bringing any action against the company failed to have their examiner present at the start of the examination.

Rhode Island Ins. Co. wants their agents and policyholders to know that it is completely solvent and ready to pay all of its obligations immediately. They want them to know that any delay in payments of the

companies' California obligations has been brought about entirely as a result of the action of a wilful and stubborn official who out of 34 states none of whom has made any move to suspend the company has decided in his wisdom that certain management officials are so personally distasteful to him that the public may be damned but that he must be proven right. The Rhode Island Ins. Co. will resist all such attempts against it and its policyholders and agents to the utmost.

or cancel any policy of insurance heretofore issued by them. It merely substitutes the insurance commissioner for the officers and directors of the companies with respect to their business in California.

Court orders were issued on the basis of the commissioner's showing that Rhode Island is insolvent within the meaning of the insurance code of California and that it is in such condition that its further conduct of business would be hazardous to its policyholders, its creditors and to the public. The commissioner also showed that Rhode Island and Pioneer Equitable had merged their businesses without the consent of the commissioner as required by law.

Battle Two Years Old

Action of the commissioner followed two years of scrutiny and examination of the affairs of Rhode Island. During this period continued efforts were made to obtain action by the company to rectify the abuses complained of or to obtain voluntary withdrawal of the company from California. These efforts were not successful. Very recently the commissioner was informed of the settlement of a dispute between Rhode Island and Pioneer Equitable on a basis which, in his opinion, created insolvency in Rhode Island. Thereupon, he argued that he had no option other than to terminate immediately the activities of the companies in California, as the only means available to him.

The commissioner's petition to the court complained that the capital and surplus of the company had been wiped out either entirely or to such an extent as to constitute insolvency under California law.

It was also stated that the company had suffered from the grossest mismanagement over a period of years resulting, according to its own published statements, in a loss of surplus of \$2,830,000 in the three year period 1946 to 1948 inclusive. Of this amount \$1,369,000 was lost in 1948. These figures do not include an additional loss of over \$1 million through the Pioneer Equitable settlement in 1949.

Agency Organization

The business of the company has been acquired and in some instances partially operated by agency and management organizations, in many of which the company management was financially interested. These organizations were compensated by liberal fees or overriding commissions.

A volume of insurance was written far beyond the financial capacity of the company. To avoid insolvency it became necessary to obtain a huge amount of reinsurance. Such reinsurance apparently was not obtainable in the American market.

Lately the management negotiated reinsurance with alien insurers located in Italy, Portugal, Spain, France, Cuba and other foreign countries. Little or no adequate information regarding the financial status of these companies was supplied to the California commissioner. At least one of these transactions gave rise to disputes which caused the company huge losses.

Butte Has Beef on Rates

A major project of Butte Development Assn. will be an attempt to secure "more equitable" automobile insurance rates according to Tim J. Sullivan, the president. He charged that the rates at Butte "are all out of proportion with those paid in other cities."

Fire Losses Drop 13.3% in April

Fire losses in April are estimated by National Board at \$55,290,000, which is 13.3% less than for the corresponding month last year and 17.7% below March of this year.

Mich. Mutual Agents Back Stock Training Program

LANSING—Strong support for the insurance training program being worked out in cooperation with Michigan State college by Michigan Assn. of Insurance Agents was voiced in a resolution adopted at the annual conference here last week of Michigan Assn. of Mutual Insurance Agents.

The conference attracted upwards of 200 agents, special agents and company men. It was sponsored by 1752 Club of Michigan.

Gov. G. Mennen Williams of Michigan was among the luncheon guests. He commended the agents for "public service." Horace B. Corell, deputy commissioner, and Darlyle Watters, of the department's agency licensing division, also spoke briefly.

Others speakers included: John Kerper, Employers Mutual Casualty; R. J. Hayes, state agent for Lumberman's Mutual Casualty; John Fles, Michigan Adjustment Bureau; R. E. Childs, Shelby Mutual Casualty; and M. L. Landis, counsel, Central Manufacturers Mutual. William L. Seaks, Grand Rapids agent, president of the state association, presided.

Puerto Rican Record

The Puerto Rico insurance department has published the results of the first quarter, showing that premiums in the fire and marine classification were \$1,101,457 as against \$1,108,529, in the comparable period of last year. In the casualty and miscellaneous classification, the premiums for the first quarter were \$891,717 as against \$761,449.

Vigue Bay State Head

Bay State Field club at its annual meeting elected David L. Vigue, Phoenix Assurance, president; L. M. Fessenden, Home, vice-president; T. J. Butler, Boston, secretary, and A. H. Clark, Springfield, treasurer.

Mansfield Board Elects Mowry

Insurance Board of Mansfield, O., has elected Tom M. Mowry, president; Mark Wolcott, vice-president; Allen J. Stoner, secretary; Mildred Perry, treasurer.

Ralph Seaholm, executive vice-president of Bowes & Co., is the speaker at the May 19 meeting of Mid-West Insurance Buyers Assn. at Chicago.

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NEWS OF FIELD MEN

Boom Martin for Grand Nest Post

The San Francisco Blue Goose has proposed John Henry Martin of San Francisco for election as grand keeper at the annual meeting which is to be



JOHN H. MARTIN

held at Seattle. This is the year for a far-westerner to be started up the grand nest ladder.

The notice has been broadcast in a letter from Sigmund C. Arndt, most loyal gander of the San Francisco pond. He states that the other Pacific Coast ponds have expressed approval of Mr. Martin's selection. Mr. Martin is manager of Standard Forms Bureau. He is a past president of Fire Underwriters Assn. of the Pacific, is a past most loyal gander of the San Francisco Blue Goose and former deputy most loyal grand gander.

A. F. Wilde Elected M.L.G. of St. Louis Blue Goose

A. F. Wilde, North America, was elevated to most loyal gander of the St. Louis Blue Goose at the annual meeting Monday. He succeeds George Seibold, America Fore, who brought his administration to a close in a blaze of glory by presiding over the initiation of 33 goslings. This was by far the largest class of candidates ever taken into the pond and brought the membership to 216, a new high.

Other new officers elected are: Supervisor, G. W. Voshardt, Western Adjutant; custodian, A. L. Corey, Travelers Fire; guardian, V. H. Whaley, Missouri Inspection Bureau, and keeper, Earl S. Hannan, Western Fire. W. Ayton Cox was reelected welder.

Eight members of the pond were awarded 25-year emblems.

Va. Field Club Elects

William P. Hundley, Loyalty group, was elected president of the Stock Fire Insurance Field Club of Virginia at the club's annual convention at Newport News.

Mr. Hundley, who has been vice-president the past year, had been serving for several months as acting president.

Other officers elected are: Guy R. Friddell, Hartford Fire, vice-president; A. C. Word, secretary and treasurer, and J. A. Hodges, R. B. Leary, J. C. McNaughton and R. D. Davidson, members of the executive committee.

Dubuque Appoints Thiede

Dubuque F. & M. has named Henry Thiede state agent in Ohio. For five

years Mr. Thiede has been fire division manager for Marsh & McLennan at Detroit. Prior to this he was associated with Johnson & Higgins for 16 years in Chicago and Detroit. He will travel out of his residence at Birmingham, Mich., until he is able to locate in central Ohio.

Mahland to Pearl in N. Y.

Pearl has named Peter H. Mahland state agent for suburban New York. The company previously has not had representation in this territory.

Mr. Mahland has been suburban special agent for Agricultural since 1939.

Hear Gov. Beardsley

DES MOINES—Gov. Beardsley addressed the Iowa Blue Goose luncheon on "Free Enterprise." The pond will hold its annual meeting May 23 with some 20 candidates to be initiated. A stag dinner will be held. A dinner-dance will be held May 27.

Druggists Names Sugden

R. C. Sugden, Wichita agent, has been named Kansas state agent for the

American Druggists succeeding Roy Shoaff, Topeka, for many years state agent, who died earlier this month.

George Wheaton of Agricultural, spoke on earthquake insurance at the meeting Monday of Ohio Stock Fire Insurance Speakers Assn.

CHICAGO

RAVINIA LOSS \$115,000

The famed music pavilion at Ravinia Park in Highland Park, Ill., which has been the scene of summer concerts and opera for Chicagoans since 1903, was completely consumed by fire Saturday night. There was \$115,000 insurance on the building placed through Marsh & McLennan and this is a total loss. The insurance was under a schedule, which included a number of other buildings in the park, but the section that was destroyed represented about 70% of the line.

The concert season was to start about the middle of June and workmen had been there until about 3 p. m. Saturday. The fire started about 11 p. m. The main electric light power switch had been out right along, so that this was not a factor. There had been no blow torches used and it seems unlikely that

a smoldering cigarette could have started it. Reports are being investigated that the fire may have been set maliciously by youngsters. There had been some trouble with glass breakage and other acts of vandalism in the park.

The pavilion consisted of one building of several sections. There was the one-story auditorium section of open frame construction 124 by 126 feet with 17 to 22 foot ceiling. There was a two-story stage section 30 by 37, a dressing room section 16 by 25. There was an open air terrace 45 by 73 feet and another 11 by 26. The entire floor of the auditorium and terraces was of heavy frame construction on concrete piers four feet above ground. There were 2,500 fixed seats.

The fire fighting was made more difficult because some 80 huge trees were afire. Luckily the wind was such that the casino building was not attacked. Had this been involved there could have been a forest fire of considerable dimensions.

U. & O. Valued Policy Bill

The Michigan legislature has enacted the bill that was desired by certain reciprocals, to permit writing U. & O. fire insurance on a valued policy basis.

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Effective advertising for the local agent is advertising which explains what insurance will do—and does it simply, attractively and in terms of benefits to the customer.

We believe intelligent advertising is as essential to the "insurance store" as to any other retail business.



OHIO FARMERS INDEMNITY COMPANY



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

Onderonk, Melville Are Elevated by American

John C. Onderdonk, vice-president of Bankers Indemnity, has been elected a vice-president of American. The company also elected Harry W. Melville, marine secretary, as marine vice-president.

Mr. Onderdonk entered the business in 1911 with Metropolitan Casualty and later for a short time was in the agency business at Englewood, N. J. He served two years in the first war. In 1920, Mr. Onderdonk joined Norwich Union in the claims department, and in 1929 he was named superintendent of the burglary department for Royal Indemnity. The following year he was elected vice-president in charge of underwriting and production for Bankers Indemnity.

Mr. Melville started with North America in 1912 at the home office. From 1919 to 1933 he was assistant manager of the western department in Chicago. He joined American in 1937 as manager of the inland marine department, and five years later was appointed marine secretary.

Minor R. Minor Named

Minor R. Minor has been appointed special agent in Massachusetts, Connecticut and Rhode Island for Excelsior. He is the son of Claude D. Minor, a director of Excelsior and president of Virginia F. & M. He attended University of Kentucky and then served in the army. He then went with Virginia F. & M. until March of this year when he went with Excelsior as an assistant underwriter. Temporarily his head-

quarters will be with the Bridge local agency at Hazardville, Conn.

Edward A. Hogle, who had been appointed to travel this territory for Excelsior, now finds that it is necessary for him to leave the insurance business.

N. Y. Cooperative Succumbs

Knox Mutual, Albany county, New York assessment cooperative fire insurer, has been dissolved by supreme court order. Application was by Superintendent Dineen who acted after directors voted to request him to file for dissolution. A 25 cents per \$100 of insurance assessment was levied in February to pay debts and cancel policies.

K. R. Spaulding Advanced

Springfield F. & M. has made Kenneth R. Spaulding superintendent of the inland marine department at the home office. He has been assistant superintendent since 1947 and has been with the group since 1927, and had nine years in fire underwriting departments and ten years in inland marine and automobile at the home office.

Suburban Field Club Elects

New York Suburban Field Club has elected Raymond F. Wiley, Agricultural, president; Walter F. Ficke, Providence Washington, is vice-president; Henry Tesche, Provident Fire, secretary; Charles Bowman, American, treasurer.

Insurance Women of Lincoln at the May meeting heard a warning by Mrs. Lucy Husted of the Better Business Bureau against phony solicitors.

Several Insurance Bills Enacted in Minnesota

The Minnesota legislature has enacted an amendment to the Minnesota standard fire policy requiring the covering of fire ensuing as a result of riot and civil commotion in the standard policy. Minnesota never enacted the 1943 New York standard policy and the Minnesota contract has excluded fire following riot.

Another bill enacted in Minnesota permits township mutuals to operate in villages up to 1,800 population. Another successful measure diverts the 2% premium tax to fire departments serving nearby communities under contract.

There was passed a bill permitting town boards to pay premiums on bonds of town treasurers and a bill subjecting reciprocals and Lloyds to the .5% fire marshal tax on fire business.

In the workmen's compensation field, weekly and death benefits were increased and silicosis benefits were liberalized.

There was passed a bill providing that an agent or a solicitor applying for reinstatement of license following revocation or suspension, must furnish \$5,000 bond to be kept in force at least five years. The investment scope of domestic fire and casualty companies was enlarged.

A bill was passed permitting a domestic insurer to require and hold real estate for housing its employees.

There was an amendment and clarification of the multiple line law which is short, however, of full multiple line legislation.

Governor Signs Four Pa. Insurance Measures

HARRISBURG—A uniform accounting bill has been signed by Gov. Duff of Pennsylvania. It provides that the commissioner may prescribe the classifications to be maintained, as well as the date for filing the reports, and there is provision for judicial review.

Gov. Duff has signed legislation to exempt fire mutuals from reserve requirements on assessable policies.

Gov. Duff has signed the bill setting the effective date for the security type automobile financial responsibility law at Feb. 1, 1950. This precludes the possibility of another postponement. The bill was enacted in 1945 but never put into effect.

Still up in the air, however, are plans for administration. This will be handled by the state department of revenue, but details have not yet been worked out. Administration was one of the major factors in causing the long delay in getting an effective date.

Gov. Duff has signed a bill giving the commissioner the specific power to refuse to renew licenses of agents and brokers whose conduct would disqualify them from initial issuance of a license. He also signed the bill making Jan. 1 the start of the licensing year for casualty agents.

Cal. Convictions Upheld

LOS ANGELES—The third district court of appeals has upheld the conviction of Ben Sugarman, Frank Martin and Don Burton by the superior court at Stockton in an alleged fire insurance fraud case in 1947. All were sentenced to the penitentiary. The case involved a fire in a shoe store at Stockton, in which the insurers charged fraud. Burton was the owner of the store and the insured; Sugarman the consulting "expert" on the loss, and Martin the assigned adjuster by the insurers. The companies paid \$38,000 on the loss.

Texas in Annual Rally

The officers and directors of Texas local boards will have a pre-convention meeting Thursday afternoon in the Shamrock Hotel, Houston. The annual convention of Texas Assn. of Insurance Agents opens May 20 and will continue

through May 21. The 33 active local boards will each be represented by one or more officers. Hollis F. Danvers, Houston, is chairman of the local board meeting. Public Law 15 and its effect on the functioning of a local board; the federal trade commission and its jurisdiction over local associations; educational programs and membership meeting programs will be among the subjects to be discussed.

Names Six "Musts"

Six kinds of insurance are "musts" in connection with the extension of credit, Harold E. Taylor, associate director of public relations for American, said in addressing the annual meeting of National Assn. of Credit Executives at Atlantic City. These are adequate fire and E. C., business interruption, comprehensive auto liability, comprehensive general liability, blanket dishonesty, and business life.

Mr. Taylor is chairman of the insurance committee of New Jersey Assn. of Credit Executives.

Gorski to Atlantic

Daniel Gorski, formerly marine superintendent of Fireman's Fund at Chicago, has joined Atlantic Mutual there.

W. C. Bacon Is Heard

Corpus Christi Assn. of A. & H. Underwriters heard William C. Bacon, San Antonio general agent for Occidental Life, speak on "Our National Health."

Established Enviably Fire Record

A record of three years without any loss from fire has been established by the 400 motion picture exchanges and film shipping depots of Motion Picture Assn. of America. In a period of more than 23 years there have been only 16 film fires in the member-operated exchanges in the U. S., the average annual fire loss for the 23 years being only \$211.

Study National Board Plan

NEW YORK—The commissioners subcommittee on the National Board's statistical plan met here last week under chairmanship of Thomas C. Morrill, deputy New York superintendent. Representatives of the industry asked for approval of the plan as filed, and the subcommittee took it under advisement. It will prepare a report for action at the commissioners' Seattle convention. Stratford Mills of New Jersey and Milton McDonald of Massachusetts are the other two members of the subcommittee.

Changes Effective in Wis.

The business interruption form changes and other matters that previously have been introduced in Ohio, Illinois and Missouri, became effective in Wisconsin Monday.

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Arkansas Local Agents Hold Annual Gathering

(CONTINUED FROM PAGE 4)

ected. Remarking on the new agency qualification law, he paid a generous tribute to C. S. McNew, Jr., Pine Bluff, past president and legislative chairman for the past eight years. Mr. Frank summarized briefly other association activities relating to education and bulletin services.

In his report of the legislative committee, Mr. McNew related the effort

entire joint committee for decision. The committee did its best work, Mr. McNew reported, in passing a fair trades practices act for insurance over opposition of the politically powerful Arkansas Farm Bureau. The speaker concluded with the observation that now that the insurance commissioner has wide powers conferred by the rating laws and the fair trades act, and with the Farm Bureau presenting a new and powerful factor in the insurance picture, the insurance business in Arkansas will need a more unified and concerted legislative and public relations activity. The joint committee of 1949, he said, represented a start toward that general goal.

Ask Commission on Pool Risks

Reporting for the casualty committee, P. G. Brown, Fort Smith, said the committee feels that commissions or service fees should be paid on workmen's compensation risks sent to the pool and also on auto liability business placed through the assigned risk pool. The 50% differential in auto rates of Arkansas Farm Bureau Casualty as compared with stock company rates came in for considerable discussion.

The public relations committee headed by J. F. Gillespie, Carlisle, urged a greater public relations activity with the establishment of a speakers' bureau and the distribution of pamphlet materials. The educational committee report, given by Eric Rogers, Jr., Jonesboro, stressed the success of the first experimental "educational clinic" at Marianna last month and recommended that these be held periodically in all sections of the state.

The fire prevention committee report, given by D. W. Springer, Texarkana, reviewed the work of town inspections, the drive to prevent school fires and the present program of inspecting all hos-

pitals in the state, in which the Arkansas association is an active participant.

Tying in with this report, the Arkansas Fire Prevention Assn. had a display board in the rear of the meeting hall, on which pictures, publications and exhibits showed the work being carried on in the state with the help of the agents.

The general session was opened officially by Henry Woods, executive secretary to Governor McMath, who was delayed in Washington, and unable to be present.

Commissioner J. Herbert Graves brought greetings from the state insurance department.

Ernest Clark Speaks

Speaking on "The National Importance of the Local Agent," Ernest L. Clark, assistant treasurer of J. C. Penney Co., reminded the Arkansas producers that "you local agents can perform a great service by bringing to the attention of the general public the importance of the free enterprise system, and the need to do something about keeping it."

Present regulation of insurance by federal and state laws was described by Mr. Clark as a conglomerate of confusion, like "an Alice in Wonderland race, where everyone is running as fast as he can in different directions without getting anywhere." No one objects to state supervision of business so long as it remains just that, he said, but when this supervision becomes state dictation and invades management, overruling individual initiative, decision, selection and discretion, it becomes overburdensome, obnoxious, and signals the death knell of free enterprise.

The philosophy of a "benevolent federal government" providing adequate old age income, sickness disability, medical and dental treatment will eventually

bankrupt the nation, Mr. Clark continued, because it is demoralizing to the thrift and initiative of the individual. The American way of social security is through thrift and initiative of the individual backed up by sound insurance, and the field of insurance must be expanded to meet the growing needs of the individual.

Mr. Clark urged that the insurance business seek a quick solution to a number of current pressing problems, among them a standard method of fire rating in all states so insurance buyers of one state may have the same type of insurance based on the same formula of rating as those in another state, a solution to the rating of multiple location risks, giving assured the full advantages of multiple line powers. The public, he said, is waiting for a simple and adequate form of fire legal liability coverage with practical and equitable rates, another matter which demands early solution.

Adjuster, Agent in Public Relations

"Because the agent and the adjuster are the two segments of our business with most frequent contact with the public, they have it within their power to build or tear down the public's opinion of the insurance business," Fred W. Westervelt, Jr., public relations manager for General Adjustment Bureau, New York, told the agents in his talk. Vast advertising campaigns and organized public relations programs go for naught, he added, if the contacts at the personal level are not satisfactory.

Mr. Westervelt reminded the agents that they can prepare the way for the adjuster to effect an equitable loss adjustment by knowing their product and how to tailor it to an insured's needs, making certain that no loopholes exist. Explaining the exclusions of the policy are as important as explaining the coverages themselves, he pointed out, for nothing causes so much resentment against the insurance business as a denial of liability for a loss against which



Sterling Frank



W. Dan Cotton

of the association in preparing and passing its qualification bill. The bill went to the legislature as one agreed to by the stock companies, auto dealer interests, and the mutuals, and it had the backing of Governor McMath and Commissioner Graves, he stated.

Mr. McNew also outlined the operation of the joint legislative committee composed of companies and agents during the 1949 legislature. The joint committee was composed of about 20 men, but a small screening committee consisting of two agents and three company men was named to work with Miles O. Moore, association manager, on day-by-day matters of legislative detail. Disagreement or matters of general policy were referred back to the

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HOME OFFICES—SEATTLE, WASHINGTON

H. K. DENT, PRESIDENT

the policyholder thought he was insured. When a loss occurs, it is the manner in which it is adjusted and paid that makes a lasting impression. What the adjuster does is not nearly so important as how he does it. The adjuster is employed by the insurer but he must never discount the fact that he occupies a dual position, for he also acts on behalf of the assured.

Good will built up by the adjuster's attention to the policyholder's loss reverts to the agent, for having had sympathetic and fair treatment from the

adjuster, the insured feels that his selection of an agent was a wise one.

Following Mr. Westervelt's address, James F. Miazza, southwestern department assistant general manager of G.A.B., showed a color motion picture of the January tornado damage to Warren, Ark. The picture vividly showed the wreckage to the \$4,000,000 Bradley Lumber Co. plant at Warren.

Melvin J. Miller, Fort Worth, executive committeeman of the National Association, at the final session, reviewed the meaning of "Americanism." He

urged the Arkansas group to join actively in the "letters for freedom program."

Four roundtable discussions occupied the rest of the session, with Commissioner Graves heading a discussion and analysis of Arkansas' new qualification law which becomes effective on June 10. Mr. Graves outlined some of the administrative and examination procedures the department will employ. Assisting him were Mr. McNew and L. V. Martin, Little Rock.

Considerable discussion by the forum method was also devoted to the new financial responsibility law. Dean R. Morely, Arkansas revenue commissioner, promised strict and careful enforcement of the act, while Thomas T. Wilson, Arkansas manager, U.S.F.&G.; William Apple of W. M. Apple & Co., general agents, Little Rock, and Robert Maxwell, Texarkana, outlined the probable practical workings of the new responsibility measure from an underwriting and sales standpoint.

Verne C. McMillen, counsel for the National Board at Little Rock; W. R. Smith, state agent, Loyalty group, and Representative W. F. Rector, chairman of the Arkansas house insurance committee, collaborated in describing the new fair trade practices act for insurance. Brought out in the discussion was the fact that the law gives the insurance commissioner almost unlimited powers over insurance practices. While many persons felt that granting such wide authority to a public official was a hazardous matter, nevertheless it was necessary because the federal trade commission already has identical powers which it could exert over the business in Arkansas. "We'd rather be under our own commissioner," Mr. McMillen said, "with our hearings and actions in Little Rock, and interpreted by Arkansas courts than to have these things decided in Washington."

Plan 1949 University Seminar

A final discussion panel reviewed plans for the 1949 University of Arkansas insurance seminar, sponsored by the association and to be held in Fayetteville in August. Seminar Chairman P. G. Brown, Fort Smith, headed this panel and was assisted by W. R. Smith, state agent Loyalty group, and J. Gilbert Leigh, L. B. Leigh & Co., general agents, Little Rock.

The practice of companies appointing non-recording agents came in for condemnation in a resolution in which the association resolved that it "again reiterate its condemnation of non-recording agencies as a serious threat to the continued existence of the American agency system" and that "the continued existence of non-recording agencies represents a discrimination against the legitimate agent."

Other resolutions requested association members to contact their Senators and Representatives expressing opposition to socialized medicine as now proposed before Congress; expressed appreciation to Commissioner J. Herbert Graves.

President Frank Honored

Retiring President Frank was presented a fine set of golf clubs and Mrs. Frank received a set of rare table linen as a token of the association's appreciation for their services as "Mr. & Mrs. President" during the past year.

A touching moment took place early in the program when C. C. Mitchener, as one of the oldest living past presidents attending the convention, presented past-president C. S. McNew, Jr., legislative chairman, who has served in this capacity since 1943, with a bronze clock and barometer.

Ladies attending the convention were the guests of Anderson & Newell, general agents, Little Rock, at a luncheon in the Arlington hotel. The men simultaneously were guests at a stag buffet dinner given by Arkansas Assn. of Managing General Agents at the Southern Club across the street from the Arlington.

A final luncheon on Saturday noon was given by Kansas City F.&M.

Perlet Counsels Wary Course

(CONTINUED FROM PAGE 4)

same premiums with 20 or 30 locations. If the principle does not hold even for two insured in the same premium class, how, he asked, can it be said to be concrete evidence of a saving between classes?

If expenses are not treated as averages, minimum premiums must be raised and all rates made or based on a certain minimum premium basis. He said if it weren't for the thousands of small policyholders, there would be no insurer in which the large policyholder could insure. There are not enough of the latter to spread the risk. The small assured make the services available and the large policyholder should not benefit from this unless there are clearly demonstrable savings that can be definitely ascertained.

Transition Period Nearly Over

Although the schedule and experience rating plans apply to the small as well as the large, nevertheless, they favor the latter because of his increased credibility. He predicted that schedule rating plans will be eliminated soon and experience rating plans will be tightened up measurably. Some have said that schedule rating plans are necessary during the readjustment period until those risks which formerly were given preferential treatment can gradually be worked back to normal. Mr. Perlet expressed the belief that the transition period is about over.

It is probably always necessary to have experience rating plans so long as rates are made on a pure classification basis, and they are probably justified in lines which have high-frequency, low-loss type of perils. Mr. Perlet expressed the belief that they will eventually become mandatory as to all members of a class eligible to them. This will raise the eligibility requirements, because if the plans become mandatory, the insurers will not be so free in using them on small risks.

Mr. Perlet spoke for cooperation between companies, organizations and insurance departments. All are involved and the old American custom of talking the thing out is the best way to settle the common problems. He asked that those that have a problem, or a unique filing, consult the department first, so that the state men can give advice. Also, he warned against putting things over on the departments merely to gain a temporary advantage. Naturally, the department will catch up with such persons. He counseled cooperation, frankness, and laying your cards on the table.

At the outset, he said the picture of administration of the rate laws is disappointing. Many legislatures eagerly passed the rating laws so as to retain the taxing and regulatory power, but didn't provide sufficient funds for administration. In rate regulation, there is the necessity for well-trained experts.

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but in few states are such to be found. In many states the commissioner is trying to do the job alone, or the commissioner is keeping a tight control over the rating department, although the personnel left alone could do a fine job. The layman's judgment should not be imposed upon that of the expert, unless it concerns a matter of general policy. Those in the industry have been brought up in their jobs and no one without expert knowledge can hope to cope with them over the long pull.

Very few insurance departments are adequately financed. Some progress has been made toward uniformity of interpretation and action by the various states. He referred to the rate conference in zone 2 of N.A.I.C., which has developed a set of uniform filing rules. These, at this time, apply in Ohio only, but it is expected that the other states in the zone will shortly follow suit.

More Statistical Material

Mr. Perlet said that, in the future, there will be a greater body of more accurate statistical information, which will be a help in analyzing rate structures. This will never be more than a help and the business should not allow itself to worship at the shrine of the sun god of statistics and cast all else aside. Keeping statistics by code or occupancy is merely a classification of adjectives. There is not necessarily any similarity between the risks so grouped. There are numerous mistakes made in coding. This leads to considerable distortion. Again, many of the statistics are two or three years old and do not necessarily reflect current conditions. And statistics are only indicative of rate levels. The final consideration is, did the business make money or lose money on the class?

Mr. Perlet spoke of the problems that multiple peril policies which break down all of the traditional barriers of fire and casualty and covers all under one policy will bring. He vouchsafed that the states will not be able to process each of these filings. There is indicated a need for a rating bureau or other stabilizing organization to prepare the filings and stand behind them. If all the independents attempt to submit independent filings on these policies, then the rate supervisory officials are in for trouble.

No Provision for Overlapping

There is the problem of how to accept these filings under present laws, how to set up and license rating bureaus to process them. The all-industry bill provides only for licensing bureaus in each of the lines and makes no provision for overlapping. It might be possible for each of two or three bureaus to produce its portion of the overall rate and pool their efforts but this might be inviting anti-trust trouble.

An independent company would have difficulty in making a filing so as to comply with each of the rate laws.

The question is raised as to whether a company may evade the jurisdiction of its rating bureau by adding a few perils to the policy which the bureau does not rate.

He expressed the belief that the rate laws need to be amended to keep up with the times. The all-industry committee should be reconvened to ascertain whether additional legislation is needed.

Mr. Perlet said the insurance business should never be afraid to go before the public either to defend itself or combat ideas foreign to our way of life. For instance, he said, insurance should go out swinging to send to the graveyard, legislation such as the bill in Ohio for so-called compensation type automobile insurance. A private passenger car owner would donate \$15 and a commercial car \$30 to a fund out of which the state would pay on a compensation basis for all automobile accidents. The question of negligence would be omitted and this, plus the small donation, is appealing to the motorist. However, insurance people know that this cannot work at that level of rates. The sleeper is that a commission is to be set up and they are to establish the rates after the first year. This type of legislation needs to be stopped at its inception by laying the plain facts before the public.

Multiple Location

Mr. Perlet also reviewed a new study that he has completed on the subject of multiple location fire writing. His first treatise on this topic last November was submitted to the various state rating experts.

Mr. Perlet took up the theory that a class of fire insurance may be established by a difference in expense provisions, wholly aside from loss consideration. His reply is that a class cannot be established by reference either to expense or loss figures. Such a treatment would involve setting up

Charges Usurpation of Rate Making Function

(CONTINUED FROM PAGE 2)

tainly was contemplated," he declared.

Mr. Matthias said that the minimum that can be expected in the future is that in some states rating laws will be amended to express more clearly the allowance by the state of competition among insurers and to preserve freedom of action of the companies so that they could pass off saying to the public. He added that insertion of the California definitions of "excessive" and "inadequate" may be a desirable step in this direction.

"We must not rely solely on the courts to preserve the American principle of healthy, legitimate competition. This is primarily a legislative problem and the industry should stand ready to recommend desirable changes as the needs arise," he declared.

Blind Attitude Can Lose Auto Business to States

(CONTINUED FROM PAGE 5)

will but use it, as was demonstrated in the recent passage of the agents licensing bill against opponents who "produced lobbying strength reminiscent of the Washington merry-go-round in the days of Andrew Volstead and Wayne Wheeler. Let us represent our different classes of carriers—stock, mutual, board, non-board, conference, non-conference—but never let us forget that many forces are at work seeking to deprive us of the means whereby we make our living, feed, house and educate our children. These forces work through the application of pressure as they did years ago. If we cannot exert at least equal pressure, we are defenseless."

variable standards and make a mockery of rate laws. It would mean that certain risks could be arbitrarily switched from one group to another by merely changing the expense factor in the rate structure applicable to it. The expense allowance in the rate formula is a fictitious figure and can be changed at will within certain limits.

The expense ratio is the product of a company's method of securing business and its scale of commissions, and has nothing to do with the nature of the risk itself.

Measure Probability by Comparison

Mr. Perlet elucidated his contention that while experience rating may be feasible in casualty, it is not in fire. The fire coverages deal with low frequency-high catastrophe types of event, rather than the relatively high frequency-low loss type of event in casualty, and he asserted that probability

as measured by past experience is not valid in connection with seldom occurring events.

The only other way to measure probability is by a comparison of the physical hazards which most probably would start a fire or cause it to continue. That is the approach in the fire rating schedule. In a large plant, from the casualty standpoint, the number of occurrences that are apt to happen is increased as compared to the small plant, but the severity is not necessarily multiplied. On the other hand, from the fire standpoint, the probability of losses will also increase because of the greater number of hazards. Thus, the amount per loss, or the severity, can increase, as well as the frequency.

Except along broad, general lines, experience is not too worthwhile in the fire business, he contended. For one thing, he emphasized the fact that ex-

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EDITORIAL COMMENT

A Two Way Street

During the course of the New York department hearing on A-3 risks and the assigned risk plan, William Leslie, manager of National Bureau of Casualty Underwriters, made some significant observations bearing on the whole problem which the plan was designed to alleviate.

He pointed out that the plan is a two way street. The companies don't want the insurance at any price, for a number of reasons that they regard as convincing—credit, habits, any one of a number of things. On the other hand, the law requires insurance, and it must be supplied. The public, a member of which may be the victim of a driver who cannot get insurance, must be protected. The companies still believe that in a free economy each individual has the right to take or decline business. But they have voluntarily set up assigned risk plans so that those unable to secure coverage through the regular channels can still get insurance.

The first assigned risk plan was on workmen's compensation. This plan pays no commission. It is designed to take care of the public, to handle the extra hazardous risks individual companies do not want, and the producer as well as the company has an interest in seeing that the public is accommodated. The only exception is in Louisiana where it recently was decided to follow the automobile assigned risk formula in

this respect.

It is true, he went on, that there always will be certain risks in assigned risk plans that perhaps should not be there. But these are very few in number, and on the whole the experience shows that the business in the plan is undesirable.

The automobile situation differed from that in compensation. A risk that carried workmen's compensation almost always has other lines of insurance business so that the agent earns something on the insured. The automobile may be the only business the agent has on that insured and it is necessary to remunerate him for his work.

The assigned risk plan represents no injustice to the public at all, Mr. Leslie declared. The driver who cannot get insurance after making application to three insurers almost invariably is not a good insurance risk. He suggested that if the 15% charged non-certified risks is eliminated, all that is likely to be accomplished is to eliminate the commission to the agent, as happened in Massachusetts. As to the 50 and 25% surcharges, he wonders if it wouldn't be better if New York state kept off the road for a year drivers who "earned" these surcharges. They ought to be glad to get the insurance at any price. They ought to pay a penalty. When they get in that fix, they are lucky to get out so cheaply.

The "Do-Gooders" Expose Their Sham

Never has the essential socialistic, bureaucratic and power-hungry motivation of the welfare state advocates been better shown up than by their failure even to suggest that their projects be carried through with the aid of private insurance companies.

Quite possibly the private insurers would want no part of such a scheme. The point is that nobody has even considered asking them. The underlying idea, of course, is to swell the army of federal jobholders, fasten another bureaucratic system on the nation, and make big government even bigger.

In view of its policy in other fields, why should the government assume that the only way to provide its people with insurance is to set up its own insurance plant? When the government needs automobiles it goes to General Motors, Ford, Chrysler or some other private manufacturer. It doesn't set up a federal automobile factory. Similarly, when

it needs adding machines or typewriters it buys them from established manufacturers. Even war risk insurance on property was handled through the facilities of the private market. The expeditious way in which this was handled stands in marked contrast to the snarl-ups that have dogged National Service life insurance since its inception. A big reason was that war risk coverage had the benefit of an experienced field force that knew its job. This lack is one of the most serious handicaps of NSLI.

Yet with this comparison before them and the difficulties of the veterans administration in handling NSLI frequently in the press, the do-gooders promoting federal health insurance go blithely ahead, never even wondering whether they mightn't do better providing coverage through private sources. Experience with NSLI certainly indicates that if the government is going to set up compulsory health insurance it would

do better to buy its coverage from private insurers. The premiums should certainly be no higher and the amount of deficit due to needy taxpayers unable to pay their own way should be less than under government operation, which is notoriously less efficient than private operation.

This plan, however, would have the disadvantage, from the do-gooders' point of view, of not promoting a socialistic form of government, of not adding to the army of job-holders who could be depended on to vote for the party in power, and in particular of not making big shots out of the leaders in the welfare state movement.

As we said earlier, there may be good reasons why the private insurers would be leery of selling coverage to the government in the same way that General Motors sells Chevrolets for government use. But the federal health insurance promoters have been careful not to take any chances on the private insurance companies acceding to such a proposal.

This attitude shows better than anything else could that the promoters are far less interested in efficiently administered insurance at the lowest cost than they are in the political and personal aggrandizement that they see in a vast system of federally administered benefits.

PERSONAL SIDE OF THE BUSINESS

Charles E. Sheedy, state agent of Aetna Fire at Fargo, N. D., suffered a heart attack and is expected to be confined to the hospital for at least six weeks.

Raymond D. Parker, president of Parker-Allston Associates, the well-known insurance advertising agency, has been elected to the board of governors of Downtown Athletic Club, New York.

Richard Wulff of the Raymond C. Storch & Co. agency, Cincinnati, and Mrs. Wulff announced the birth of Richard D. Wulff. The maternal grandfather is Raymond C. Storch and the great grandfather is Charles R. Storch.

James R. Lathan, son of R. B. Lathan, Kansas state agent of North America, has been awarded a medal for outstanding first year architectural work at Illinois.

a heart attack. He joined the organization in 1947 at Las Vegas, had served at Bakersfield, Cal., and Chico, Cal., and was assigned to Los Angeles last January. He was a graduate of University of Wichita.

C. B. Eberly, local agent of Bowling Green, O., died recently at Flower hospital, Toledo. He suffered injuries in a fall on a flight of stairs leading to his office and underwent an operation the next day.

Richard D. Coughanour, 77, staff adjuster for the Gross R. Scruggs general agency, Dallas, died at his home this week. He started with the general agency of Trezevant & Cochran and at one time was state agent for Commercial Union. In the late 20's he and his son, R. D., Jr., established a general agency which was sold in 1933 to Scruggs.

A. Y. Weller, 43, for many years auditor of New Amsterdam Casualty, New York City, died at his home in Brooklyn.

William Carroll Hill, who had been Boston news representative of THE NATIONAL UNDERWRITER since 1917, died very unexpectedly May 11 from coronary thrombosis. He had kept up his keen interest in writing for both the insurance and genealogical fields to the last day.

Mr. Hill's association with THE NATIONAL UNDERWRITER started when he formed a partnership for furnishing news to insurance journals, with John Buchanan, another Boston journalist. Mr. Hill went with the "Standard" of Boston in 1918 and for 15 years was its managing editor.

From time to time he contributed special articles to THE NATIONAL UNDERWRITER on such matters as compulsory automobile liability insurance and the savings bank life insurance plan of that state, and these were extensively circulated.

Mr. Hill graduated at Dartmouth in 1902. For about 10 years he was night city editor at Boston of Associated Press. From 1917 to 1924 he was executive secretary of State Pilgrim Tercentenary Commission. In 1925 he was president of International Skating Union of America, and he founded and was the first president in 1926 of Amateur

DEATHS

William L. Kennedy, 63, Escanaba, Mich., manager for Employers Mutual Liability, died at Miami, Fla., after a short illness. Mr. Kennedy had been with the Employers Mutual since 1932.

Frank B. Buckwalter of Sioux City, Ia., who died recently, willed his interest in the Buckwalter agency and Buckwalter Co. to two of his long time associates, Wm. Wolle and Lawrence Curtis. The Buckwalter office was one of the oldest and largest insurance and real estate offices at Sioux City. Mr. Buckwalter had been very active in Iowa Assn. of Realtors and in civic organizations. Mr. Wolle has served as president of Sioux City Insurance Agents Assn. and Mr. Curtis is a former vice-president of Iowa Realtors' Assn.

James L. King, 65, a fire prevention consultant with New York Fire Insurance Rating Organization, died in the organization's office following a heart attack. From 1916 to 1935 he was a chief inspector of the New York Board. He wrote several booklets on fire prevention. In 1935 he was secretary of National Fire Protection Assn.

Allen C. Bonjour of General Adjustment at Los Angeles, died following

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Skating Union of the U. S. He was a pioneer in aviation and was one of the first members of Aero Club of New England and was its president several years.

For some time Mr. Hill had been editor, historian and recording secretary of New England History Genealogical Society. He was secretary of Bunker Hill Monument Assn., registrar of Sons of the Revolution and assistant treasurer of Society of Colonial Wars.

Ralph A. Goodell, 57, secretary-treasurer of the Lansing Insurance Agency—Dyer, Jenison, Barry Co. and former president of Lansing Assn. of Insurance Agents, died at his home from a heart attack. He was stricken while mowing his lawn and succumbed within a few minutes in spite of the efforts of a fire department resuscitator squad.

Mr. Goodell was a member of a prominent insurance family, his father, the late George M. Goodell, having been one of the founders and early presidents of the Michigan Assn. of Insurance Agents. His brother, Zelin, is president of the Lansing agency.

Edwin C. Porter, 54, vice-president of U. S. F. & G. at San Francisco, died after undergoing an operation in Stanford Hospital to relieve a persistent high blood pressure condition.

Mr. Porter started in the business as an office boy with American Bonding going to Fidelity & Deposit as an assistant manager when the former was merged. He joined the U. S. F. & G. in 1920 as associate manager and a few years later was advanced to manager and later vice-president.

A son, Edwin C. Porter, Jr., is a broker in Beverly Hills, Cal.

George E. Frahm, 67, superintendent of the automobile loss department in the Pacific department of Hartford Fire, died from a heart attack. A popular San Francisco yachtsman, Mr. Frahm was stricken while attending the engine of his cruiser. He joined Hartford in 1920.

John A. J. Orr, 85, former director of the insurance department of the New Haven Railroad for many years, died at Bridgeport, Conn.

Arthur C. Meyers, president and manager of Universal Underwriters Agency at Cleveland, died in his office there. He was 49.

N.A.I.C. Special Assured

The Chicago, Milwaukee, St. Paul & Pacific Railroad has now secured enough reservations from Chicago to Seattle for the commissioners' meeting to justify running an extra train, and this special equipment will leave Chicago, June 23 at 11 a. m. central standard time and is scheduled to arrive at Seattle 4 p. m. June 25. It is expected that there will be more than 125 members of the convention group aboard. The arrangements are being handled by Glenn Hyett, of the Milwaukee Road at Chicago.

Kirchen in New Wis. Post

Kenneth J. Kirchen has joined American-Associated at Milwaukee as underwriting manager. He worked in the casualty underwriting department of Fidelity & Casualty from 1937 to 1940 when he joined Travelers as an underwriter. In 1946 he was promoted to assistant cashier in charge of casualty underwriting.

New C. Z. Commissioner

E. C. Lombard, executive secretary of the Canal zone, has succeeded F. H. Wang as head of the insurance department there.

Insurance Women of Denver has elected Mary W. Jones as president; Nellie Shelley, vice-president; Mabel Parsons, recording secretary; Marion Hall, corresponding secretary; Phyllis Zangari, treasurer. Bertha Rachofsky had charge of installation of officers at the Monday meeting, which was guest night.

Effingham Tragedy Has Echoes at N.F.P.A. Meet

(CONTINUED FROM PAGE 1)

tention in the Chicago LaSalle hotel. When such a condition is so clearly established, it is not enough to consider it in terms only of a hotel or of a hospital. There are similar installations in large areas of school buildings, churches and dance halls. The principles of life safety must be made to apply to all places of public assembly. The stories of big fires usually say that the basic fundamentals of fire and life safety have been ignored or forgotten.

Mr. Bugbee expressed gratification that the dues were increased without loss of membership.

N.F.P.A. hopes to develop procedures that will be truly helpful to industry in connection with the training and maintenance of industrial fire brigades.

Railroad Loss at Peak

The railroad section of N.F.P.A. announced that railroads had 6,030 fires, causing \$11 million loss last year, this being the highest figure on record. Special safety precautions are necessary in connection with shipments of radioactive materials, but insulation requirements may be defeated if cars containing such materials are derailed or wrecked.

Fires of unknown or suspicious origin are increasing, according to E. M. Blanford, chief special agent of National Board. Fires set by juveniles and pyromaniacs are one of the greatest fire problems. Also fires set to collect insurance are on the rise. In the Pacific territory, juveniles are responsible for 71% of arson cases.

He recommended that children with penchant for playing with fire be examined, or at least kept under close supervision.

Cal. Flame Proofing Laws

Joe R. Yockers, California state fire marshal, said much has been accomplished under California's flame proofing laws, which were inspired by the Coconut Grove night club fire at Boston. Usually, it has been necessary only to point out the need for protection against flash fires, in order to have owners correct existing conditions.

Chief George Courser of the San Diego fire department said the new self-service gas stations may even be safer than the regular type, if reasonable and logical controls are exercised. Gasoline spill-overs are rare in the self-service stations.

William H. Rodda of Chicago, chairman of the committee on truck transportation and secretary of transportation insurance rating bureau, said that rising fire losses constitute a threat to the American trucking business. He said collision is the cause of 58% of all truck accidents in which there is a fire.

New officers of the fire marshals section are H. M. Armstrong, president; Edwin W. Hall, Detroit, first vice-president; E. R. Bonat, Rhode Island, 2nd vice-president; R. B. Kurfiss, Dayton, secretary; C. S. Morgan, N.F.P.A., executive secretary.

R. L. Bliss in New Post

Robert L. Bliss has been appointed executive director of the Public Relations Society of America. Mr. Bliss has been with the New York offices of J. Walter Thompson and Compton Advertising, Inc. in public relations capacities. For the past three years he has been director of public relations of the National Assn. of Insurance Agents.

Sign General Motors Bill in Ohio

Gov. Lausche of Ohio has signed the agents' bill aimed at General Motors. The law puts an end to controlled business and requires that 51% or more of the insurance an agent writes must be on property for which he is not a vendor. It is hinted that the constitutionality of the act will be tested in the courts.



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Connecticut Mutual, which has worked with thousands of fire and casualty agents and brokers for years, has published a new booklet for general insurance men entitled "A Tested Method for Securing Life Insurance Commissions." It outlines the mail advertising plan in which ten different letters are available for various types of people, and shows you how to prepare your list. On each of the principal types of prospects there is a sales promotion kit that tells you what to offer and what to say about it.

Send today for your copy of this free booklet that can help you earn many hundreds of dollars in extra commissions from your own clients.

The Connecticut Mutual
LIFE INSURANCE COMPANY • Hartford



Connecticut Mutual Life Insurance Company
Hartford, Connecticut

I am interested in selling life insurance, so please send me free and without obligation your booklet, "A Tested Method for Securing Life Insurance Commissions."

Name _____ (please print)

Street _____

Town or City _____ State _____

NU 5-9



Reinsurance

Your Underwriters will escape a lot of avoidable wear and tear if they are provided an *Employers Reinsurance* treaty, because it will fit accurately and function automatically. It is both a safety factor and a labor-saving device.

Employers Reinsurance Corporation

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Independents Probe for Compromise on Allocated Loss Cost

Midwestern Statistical Service Elects Ray at Chicago Annual

A high point of the annual meeting of Midwestern Independent Statistical Service at Chicago was the proposal by Robert J. Icks, one of the speakers, for a compromise on the differences in treatment of allocated loss expenses between the National Bureau of Casualty Underwriters on the one hand and the other bureaus. In subsequent discussion, many of those present ranged themselves on the speaker's side, though several refinements of his principles were suggested. Mr. Icks is actuary and manager of Michigan Bureau of Casualty Companies and Illinois Bureau of Casualty Insurers.

Mr. Icks' first tenet was that since it has been agreed by all parties that the fees of independent adjusters and attorneys can readily be allocated, the rules should be changed to allow for such allocation.

Secondly, Mr. Icks advocated that the salaries and expenses of salaried adjusters be allocated and that if these adjusters specialize in certain coverages, their salaries and expenses would be used only for these coverages. This would be accomplished each month by determining the number of pending claims by coverage, by states and the ratios that each type bears to the total pending by states. The previous months adjusters' salaries and expenses would then be totaled and multiplied by 12 to arrive at the annual total. The coverage ratios would then be applied to the salary expense total. Each of these would be divided by the corresponding number of claims pending by coverage. These figures would then be published and distributed to all adjusters. These figures would then be published and distributed to all adjusters. These are the amounts they would add for the separate coverages as loss expense to each claim closed during the succeeding months or until a new set of figures is determined and furnished.

Method Not Complicated

"This method may sound involved, but it really is not," Mr. Icks commented. "You need only make a few simple computations each month. It is not perfect, but it is practical. It places no burden on the busy individual adjuster's time sheet and makes the whole job a bookkeeping or tabulating room project," he declared.

He emphasized that for a year or so, comparisons of loss ratios with previous years would have to be interpreted, but eventually the whole thing would be realistic and certainly a lot easier to explain to the public than the things that are being done now.

Mr. Icks admitted that true cost accounting could go on indefinitely with such a process and eventually get into allocation of stenographic cost, mail and messenger costs, printing and stationery, building costs or rental and a lot of other items proportionately allocated to claim costs. He said that this stage hasn't been reached yet and that currently the industry is only at the stage of being required to have a uniform approach from a functional rather

N. Y. Department, Industry Explore A-3, Assigned Risk

Young Driver Rates May Go Higher Than B; Hint B Subdivision

NEW YORK—No difference of opinion appears to exist between the New York department and industry representatives that higher auto rates are needed for the A-3 class covering younger drivers. At the hearing conducted here by Walter F. Martineau, deputy superintendent, the department indicated its belief companies ought to get more on A-3 class to avoid the discriminatory imposition of part of the loss burden of that class on other classes.

Mr. Martineau asked several times whether the rating bureaus had taken any steps to change the rules governing the B, the business classification, so that the A-3 rate could be increased above the B rate. At present in New York the A-3 rate is 99% of B, elsewhere it is 95%. He recalled that when authorizing A-3 in New York July, 1948, indications were that companies needed 116% of B for the class containing drivers under 25. Experience since has not changed the indication.

Wants Rule Changed

When A-3 class was authorized, the bureau's contention was that charging more than B rates would, because of the rules governing business use, cause A-3 risks to claim B classification, which would become a catch all. Apparently the department believes the B rule should be changed so that the full rate justified by A-3 experience can be charged to it.

Another point that Mr. Martineau, Arthur Bailey, chief casualty actuary, and Joseph Collins, chief of the rating bureau of the department, brought out is that if there is a differential charged users of private passenger cars because of the age of drivers, then there should be a differential charged for cars used in business by younger drivers. While the bureau people thought this quite likely, they have not analyzed A-3 and B experience enough to determine if there is enough difference in hazard between younger and older B drivers to warrant subdividing class

(CONTINUED ON PAGE 34)

than an accounting standpoint. He brought out that the approach he suggested would give the regulating authorities a common yardstick and give the carriers an opportunity to refute the cynical remarks about statistics.

S. Alexander Bell, manager of the organization, attorney and C.P.A., whose firm exerts the central statistical

OFFICERS ELECTED

President—V. M. Ray, Hoosier Casualty.
Vice-presidents—Irring J. Maurer, Farmers Mutual Automobile of Wisconsin; I. Earl Faust, State Automobile Association of Iowa; C. M. Fish, Freeport Motor Casualty.

Secretary—C. W. Margraff, Motorists Mutual of Ohio.

Treasurer—Harvey C. Fineout, Wolverine.

control for the organization at Chicago, presided at an open forum discussion, as well as participating in the unsnarling of technical questions. In his reports, Mr. Bell traced development of Midwest Independent Statistical Service from 30 members, when it was founded less than two years ago, to 119 mem-

Industry Defends Sur- charges; Underwriting Conference Suggested

NEW YORK—The questions raised by the New York insurance department regarding rates for drivers under 25 largely will be answered by the companies' revision in July; those raised as to the assigned risk plan are being answered as a freer market develops on automobile casualty business; and the difficulties of certain risks, or risks in certain areas, in securing coverage without going to the plan can be met if the New York department asked for a conference with executives of mutual and stock companies, where the various problems could be presented, and where they could be asked to instruct underwriters not to apply underwriting restrictions discriminatorily. This would be a much better method of providing relief than specifically acting on surcharges and other machinery of the assigned risk plan.

Thus William Leslie, general manager of the National Bureau of Casualty Underwriters, summed up the viewpoint of the industry at the hearing conducted by Deputy Superintendent Walter F. Martineau here. Thomas C. Morrill, deputy superintendent, finished up for Mr. Martineau, who had an infected tooth which needed treatment before he left for a Chicago meeting of the accident and health committee.

Idea of Conference Commended

Without speaking for Mr. Martineau, Mr. Morrill said he thought the idea of a conference suggested by the bureau was a good one, but that in the meantime the rating bureaus could use their influence with companies to make underwriting less restrictive.

Three Harlem production representatives appeared and urged that the companies take automobile business in the regular way where insured is a good risk, rather than such risks having to go into the assigned risk plan with surcharges. Alfred Hawkins, Harlem Brokers Assn., said insurers turn down applications because of the area in which the person resides. A number of them are not bad drivers, and just because they live in Harlem or upper Manhattan, they shouldn't be forced into

(CONTINUED FROM PAGE 32)

bers and subscribers today. It is a licensed rating bureau in 15 states and represents the National Association of Independent Insurance companies and others in the states. The retiring president of Midwestern, Neil C. Russell, Chicago Motor Club, handled his duties with easy assurance and broad humor.

At the close of the considerable discussion on reaching a cost accounting compromise to help with handling regulation 30, Mr. Bell made a final comment that the industry is on its way to being set up on a good cost accounting basis. But because of necessary dovetailing with insurance practices and present limitations on physical accounting capabilities in many home offices, immediate proceedings are on no more than a partial cost accounting basis.

The members voted to create an executive committee of from five to nine members to be armed with considerably greater power than the board of directors which has grown to unwieldy size for practical purposes. Another change to the bylaws discontinued the practice of numbering the vice-presidencies and removed any implication by such numbering that the first vice-president would become president the next year.

Harrington New President of H. & A. Conference

E. J. Faulkner, Woodmen Accident, Put in Line for Next Year

With a registration of close to 400, making it the largest convention ever held by the organization, H. & A. Underwriters Conference at its annual meeting at the Edgewater Beach Hotel, a year of especial accomplishments, despite the handicap imposed by the death in the middle of the year of Harold R. Gordon, managing director, who had been its guiding force for so many years. Membership of 142 also sets a new high.

C. O. Pauley, who took over as managing director April 1, was given an ovation on his first appearance in that capacity. His many years of service already had made him one of the most popular and highly regarded members of the conference. Both he and President V. J. Skutt paid high tribute to the members of the conference headquarters staff for the way in which they have kept things going and after Mr. Pauley gave his own report, he called John P. Hanna, associate managing director; Billedward Howland, statistician; James R. Williams, editor, and Marie Meade, executive secretary, to the platform to give their reports.

Mr. Skutt, recently named president of Mutual Benefit H. & A., who has

NEW OFFICERS ELECTED

President—Frank L. Harrington, Massachusetts Protective.

Chairman executive committee—E. J. Faulkner, Woodmen Accident.

First vice-president—W. Franklyn White, Mutual Benefit Life.

Second vice-president—J. Eugene Taylor, National Life & Accident.

Executive committee—V. J. Skutt, Mutual Benefit H. & A.; Travis T. Wallace, Great American Reserve; Robert Neal, North American Accident; D. B. Alport, Business Men's Assurance.

guided the organization successfully through a difficult year, filled with many problems for the business as well as for the conference itself, was succeeded by Frank L. Harrington, president of Massachusetts Protective, long regarded as one of the standbys of the organization and chairman of the executive committee the past year. E. J. Faulkner, president of Woodmen Accident, is the chairman of the executive committee, thus being placed in line for the presidency next year.

The subject of compulsory health insurance was strongly to the fore, of course, in all the speeches and reports and a resolution was adopted placing the conference on record "against any form of compulsory disability or medical care insurance or any system of political

The proceedings of the H. & A. Underwriters Conference annual meeting will be reported in extensive detail in a special edition shortly to be distributed.

medicine designed for national bureaucratic control."

Private industry is adequately fulfilling the needs of the public for A. & H.

(CONTINUED ON PAGE 31)

Surety Assn. Holds Annual Meeting

Martin Lewis Reports on First Year of Combined Operations

An executive committee of companies was elected by Surety Assn. of America at its annual meeting last week at New York. Approximately 70 member company representatives were in attendance.



M. W. Lewis

The new executive committee companies are Aetna Casualty, American Surety, Commercial Casualty, Fidelity & Deposit, Fireman's Fund Indemnity, Glens Falls Indemnity, Globe Indemnity, Hartford Accident, Home Indem-

nity, Maryland Casualty, Massachusetts Bonding, National Surety, Standard Accident, Travelers Indemnity, and U. S. F. & G.

Martin W. Lewis was reelected as general manager; John L. Kirkwood and E. Vernon Roth, secretaries; Elmer C. Anderson, John F. Fitzgerald, Philip T. Morehouse and Peter A. Zimmermann, assistant secretaries; David Porter, educational director. William J. Zimmermann was elected assistant secretary.

The old association celebrated its fortieth anniversary last November and Towner Rating Bureau was scheduled to observe its fortieth anniversary this October, Mr. Lewis noted in his report. The new organization is functioning in the manner which was anticipated and has reached a peak in membership, with 51 member companies, and 52 subscribers or purchasers of manual service.

Cites U. N. Contract

Mr. Lewis commented that 1948 will be remembered as having produced the largest performance and payment bonds on a construction contract since corporate suretyship was established, the United Nations contract of \$23,809,573, on which separate bonds each in that

amount were furnished by association member companies. "If ever there was a demonstration not only of the ability but of the willingness of our membership to serve the public interest this was it," he declared.

It is too much to expect that the unusually favorable experience of recent years should continue indefinitely, Mr. Lewis opined. There is every evidence that fidelity rates have practically reached rock bottom and that a rising loss ratio on construction contracts can be expected. A substantial part of the favorable experience of recent years was due to salvage recoveries on losses paid in earlier years, and these will not be available in the future.

Mentioning the study of the economics of the surety business by Dr. Jules Backman published by the association, Mr. Lewis stated he is confident it is being examined by supervisory authorities, company executives, employees and students of the business. Whatever expense has been incurred has been abundantly justified by the favorable reception which the book has received. Five thousand copies were published; 2,062 were sold to members and non-members, and 1,460 were distributed on a courtesy basis to insurance departments, legislators, local surety associations, libraries, schools, etc.

Anderson Heralds Book

Following the publication of "Surety Rate-Making," Elmer Anderson developed a talk based on the book which he has given before numerous local surety associations.

The educational program has been varied. "The Public Official and His Surety Bond" was published, while several additional and timely publications are on the way. Copies of booklets previously published are still in constant demand.

The association has participated in zone forums of insurance commissioners relative to standardization of practices by rating authorities. Such forums are useful and helpful, and insurance authorities are sympathetic in their approach to the solutions of problems which confront the business, Mr. Lewis reported.

A reception and luncheon followed the annual meeting.

Thomas Harvey, Travelers Claim Official, Retiring

Thomas P. Harvey, who joined the claim department of Travelers 41 years ago and has been a member of the official staff in the home office for 22 years, will retire at the end of May.

After serving as adjuster at Columbus, Louisville, Indianapolis and Philadelphia, he went to the home office in 1927 as attorney in the claim department.

Mr. Harvey is admitted to practice law in Indiana, Pennsylvania and Connecticut. While a resident of Indiana, he served in the Indiana legislature. He is a graduate of Indiana Law School.

Dietrich Leaves State Post

G. E. V. Dietrich, deputy in the rating division of the Illinois department, is soon leaving his state position and it is understood that he will return to U.S.F.&G., probably at Cleveland. Prior to joining the department he was with U.S.F.&G. at Chicago.

Aim for Jan. 1 on Combined Blank

Only Minor Changes Made by Commissioners' Group at N. Y.

NEW YORK—Industry representatives and the subcommittee on the combined fire and casualty blank of the National Assn. of Insurance Commissioners at a meeting in the New York department last week reached substantial agreement on details of the statement form. This was brought out at the meeting of the Insurance Accountants Assn.

Thomas F. Tarbell, actuary of Travelers and active in drafting the combined statement, scheduled to discuss the subject, was unable to attend because of the sudden illness of Mrs. Tarbell.

However, Jeremiah M. Donovan, Travelers Fire, first vice-president of the association; F. M. Dominick, Boston, and R. A. Dahlberg, Sun, reported the changes evolved at the subcommittee conference. The latter two have been active in the combined blank drafting.

Joseph Collins, chairman of the subcommittee, Harold Bittel, actuary of the New Jersey department, Earl Berger of Pennsylvania and Milton G. McDonald of Massachusetts were among commissioners representatives attending meetings in New York. The casualty companies were represented by C. G. VanderFeen, National Surety, and mutuals and reciprocals had representatives on hand.

Commissioners Like Blank

The subcommittee likes the statement in its present proposed form with certain exceptions that are regarded as minor, many of them editorial. The plan is to approve the combined blank, submit it to the full blanks committee of N.A.I.C. for okay before the Seattle convention of the commissioners. It is hoped that the commissioners will finally okay it so that it can be used on business beginning next Jan. 1. This would enable the blank to be used in New York, where the law provides it must be authorized six months in advance of effective date.

Schedule N, covering bank balances, is not final, according to Mr. Dahlberg. During the war commissioners suspended the requirement that monthly balances be shown, but they may require companies to do so in the multiple line statement. The industry would like to eliminate showing of assumed and ceded reinsurance on page 9 and use only direct premiums, but may lose out on this.

Fire Block Separate

On page 7 the commissioners want losses shown opposite premiums, as in the present blank. On page 8, premiums in force, commissioners still want the fire block kept separate. They say this will enable them to tell if there is any finagling on reserves. The commissioners want explosion shown as the main class, in explosion, riot and civil commotion.

Commissioners still want assumed and ceded reinsurance shown. They claim this enables a check of a company that writes direct business when it is not licensed to do so.

Schedules O and P will not have to be completed by fire companies, though there was some concern they might have to on collision.

In the summary of the underwriting investment exhibit, the commissioners like capital gains and losses split as they are in the present blank but they want them redesignated as "realized and unrealized". There was considerable discussion of this point. The commissioners want an explanation of how the realized and unrealized figures are

(CONTINUED ON PAGE 33)

HAWKEYE • SECURITY • TWO OF THE FINEST



**DO YOU BELIEVE
That George
Washington Was
Born on Feb. 22nd?**

His birthday is observed in U. S. on Feb. 22nd but he was born Feb. 11, 1732, the date being changed by the elimination of 11 days when the calendar was changed.

IT IS A TRUTH HOWEVER . . .

. . . that every agent who joins Hawkeye-Security's ever growing agent family gets the most in home office co-operation . . . the kind of wholehearted co-operation that builds more casualty and fire business.

Hawkeye-Security are proud of their prompt and equitable settlement of claims . . . the fact that there is no red tape in dealing with agents . . . that every sales aid is given the agent and a sincere group of field representatives are always at the agent's service.

All these facts add-up to the reason why "the trend is to Hawkeye-Security".

**HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.**

Des Moines, Iowa

HAWKEYE • SECURITY • TWO OF THE FINEST

NATIONAL RETAILERS FINANCIAL STATEMENT

STATEMENT AT THE CLOSE OF
BUSINESS DECEMBER 31, 1948, AS REPORTED
TO INSURANCE DEPARTMENT,
STATE OF NEW YORK

Bonds on amortized basis. No bonds in default as to principal or interest. Stocks at book.

assets

Cash in banks and office.....	\$ 557,841.52
U. S. Government obligations due 1949.....	662,800.00
U. S. Government bonds.....	4,099,198.54
Canadian bonds.....	102,511.80
Public Utility and other bonds.....	791,321.42
Stocks.....	464,662.39
First mortgage loans on real estate.....	82,520.76
Real estate (including company buildings).....	75,000.00
Premiums in transmission.....	333,608.18
Accrued interest and other assets.....	238,878.89
Total Admitted Assets.....	<u>\$7,408,343.50</u>

liabilities

Reserve for unadjusted losses.....	\$ 644,430.00
Reserve for unearned premiums.....	4,556,004.00
Reserve for taxes, expenses and other liabilities.....	386,773.59
Reserve for dividends to policyholders.....	321,135.91
Reserve for contingencies (voluntary).....	<u>250,000.00</u>
Total liabilities and reserves.....	<u>\$6,158,343.50</u>
Guaranty fund.....	\$500,000.00
Surplus.....	<u>750,000.00</u>
Surplus to Policyholders.....	<u>1,250,000.00</u>
Total.....	<u>\$7,408,343.50</u>

Securities carried at \$417,945.64 in the above statement are deposited as required by law.

EXCERPTS FROM THE CHAIRMAN'S MESSAGE TO POLICYHOLDER-OWNERS—

Premium writings amounted to \$5,362,677.92. The increase over the preceding year was \$386,769.64 or 7.8 per cent.

Assets increased \$703,536.65 to \$7,408,343.50. This was a gain of 10.5 per cent to a new high.

In spite of the continued expansion of the service conservation program, your company accomplished a reduction in

its underwriting expense ratio of 3.6 points from the 1947 figure. The efficiency of the staff contributed importantly to this improvement in expense ratio.

During 1948, National Retailers became legally admitted to three additional states and is now prepared to serve its policyholders in all 48 states, District of Columbia, Territory of Alaska and the Dominion provinces of New Brunswick, Ontario and Quebec.

NATIONAL RETAILERS MUTUAL INSURANCE COMPANY

EXECUTIVE OFFICES:
CHICAGO 26, U. S. A.

HOME OFFICE: GLEN COVE, N. Y.

JAMES S. KEMPER,
President and Chairman

National Bureau Renames Staff

NEW YORK—National Bureau of Casualty Underwriters at its annual meeting reelected William Leslie general manager and James M. Cahill secretary. Commercial Casualty, Eagle-Globe-Royal, Hartford Accident, Home Indemnity, and National Surety were newly elected to the executive committee. Other officers were reappointed.

Glens Falls Indemnity, New England Casualty and U.S.F.&G. are new members of the statistical committee, which was increased from seven to nine members; Glens Falls, Ocean Accident and Travelers are new members of the automobile rating committee; Fidelity & Deposit and Zurich were added to the burglary rating committee; Aetna Casualty, Fidelity & Casualty and U.S.F. & G. are new on the general liability rat-

ing committee; Century Indemnity and Commercial Casualty went on the glass rating committee; Hartford Accident is new on the residence water damage and explosion rating committee, which was increased from four to five members, and Hartford Accident is new on the committee on budget.

The engineering committee for the boiler and machinery division is a new committee created during the past year. Its members are American Guarantee, Eagle-Globe-Royal, Fidelity & Casualty, Hartford Steam Boiler, London Guarantee, Maryland Casualty, Ocean Accident and Travelers.

Compulsory Plane Cover Bill

A bill has been introduced in the Illinois senate requiring airplane pilots to be insured for P.L. and P.D. or to secure a finding by the department of aeronautics that the pilot has the ability to pay damages that might result from an accident.

Bankers Seek New Rate Concession

The Protective Bulletin of American Bankers Assn. states that the insurance and protective committee has reiterated its proposal for another reduction in premiums for the broad blanket bond form #24. The committee asks that coverage against loss through "misplacement or mysterious disappearance" be made a component part or standard coverage in form 24 without any premium loading. Thus far the proposals have not been favorably received.

Surety Assn. of America believes that blanket bond rates are so dangerously low that a rate increase is imminent. As soon as preliminary data is available with respect to 1948 loss experience, the matter will be discussed further with Surety Association.

The protective committee has nearly completed its analysis of dishonesty losses of \$10,000 or more reported in 1946, 1947 and 1948. The losses and amounts of coverage carried by 7,360 banks are segregated into 23 groups measured by the amount of deposits. This study will test out the committee's tables of 10 years ago of suggested amounts of fidelity coverage for banks of different sizes.

The committee states that London Lloyds has settled upon a single form of safe deposit box policy covering the banks' legal liability only. Heretofore, Lloyds has issued three forms of such policies.

The protective committee is undertaking to get a form of endorsement protecting the interest of banks on loans secured by items of personal property other than real estate and automobiles. The four major advisory groups in the fire insurance business will be approached on this matter. It is pointed out that there are standard forms of endorsements to cover the interest of a mortgagee or trustee on real estate and automobiles.

Cal. Compulsory Health Bill Is Tabled in Committee

The California senate committee on governmental efficiency has tabled Governor Warren's expanded compulsory health insurance bill. Similar bills were

killed in committee in 1945 and 1947.

Senator Swing of San Bernardino, spokesman for the committee, observed that there is a health bill pending in Congress and that the states should wait to see what happens before entering the field any further. A minute later the members voted to table the proposal.

Governor Earl Warren criticized the committee and the medical profession saying they were "callous" to the needs of the great mass of the public.

Glass Forum at Chicago

Operations and objectives of Chicago Plate Glass Service Bureau were explained at a forum last week in the Insurance Exchange building. The bureau is now completing its second year in the city, and has 32 subscribing companies. It has made more than 28,000 survey and loss inspections since it was started.

Ralph Schaff, Chicago manager of Bankers Indemnity and chairman of the Chicago plate glass advisory committee, made the opening address and was followed by Wayne Merrick, manager of claims bureau of Assn. of Casualty & Surety Companies. Robert C. Chapman, who is in charge of the Chicago Bureau, also spoke.

Baton Rouge Unit Formed

Curtis Reed of Metropolitan Casualty was elected president of the newly organized Baton Rouge Assn. of A. & H. Underwriters. Vice-president is L. F. Wakeman, Mutual Benefit H. & A., and secretary, A. R. Maxey, Metropolitan Casualty. Chairman of the executive committee is T. A. Wakeman, Mutual Benefit H. & A. The meeting was held in the office of Continental Service Life & Health.

Lawson, Grahame Directors

Harold R. Lawson, actuary since 1945, and Orville F. Grahame, general counsel since 1946, have been elected directors of Massachusetts Protective and Paul Revere Life.

Peter A. Laterza has been named field representative at New York City for Standard Accident. He has been head of the burglary and glass department there. He was an army lieutenant during the war and previously was with National Surety.

A ready market for these

UNUSUAL COVERAGES

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WAREHOUSEMEN'S LEGAL LIABILITY

We have specialized in the underwriting of this class and can offer a broad and comprehensive market. Coverage can be provided on furniture, commercial, cold storage and general warehouses.

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REINSURANCE
SPECIALIZED COVERS
EXCESS COVERS
FIRE—CASUALTY

175 W. JACKSON BLVD.

CHICAGO 4, ILLINOIS

Honor Templeman at 50 Year Mark

F. Leroy Templeman, manager of the A. & H. department of Maryland Casualty, was honored at a banquet celebrating his 50th anniversary with the company. President William T. Harper of Maryland, presented Mr. Templeman with a sterling silver tray and pitcher suitably inscribed.

Mr. Templeman joined Maryland in 1899 as office boy to F. Highlands Burns, later president of the company, but at that time head of the home office claim department.

Mr. Templeman became interested in the A. & H. field. His first important promotion came when he was put in charge of A. & H. claims.

After six years, he was given the additional responsibility of supervising A. & H. underwriting. Later, he concentrated on underwriting.

Mr. Templeman has been active in national A. & H. circles. He is a charter member of International Claim Assn. and has been treasurer of that organization for almost 40 years. He is likewise the only active charter member of Bureau of A. & H. Underwriters, and served as chairman of the governing committee from 1927 to 1929.



Beacon

Celina

Fm. B

Grange

Mot. N

Pioneer

Prog.

Republ

Shawne

Shelby

State A

West.

C

Total I

Auto B

Auto E

Other I

Other F

Auto F

Fidelity

Surety

Glass I

Burglar

Other I

Other F

Live S

Live St

Credit

Credit

Sprink.

Sprink.

Estranged Wife Not 'Member of Insured's Household'

The omnibus clause of an automobile liability policy covers a man who is driving a car belonging to his estranged wife with whom he is not living, according to the Mississippi supreme court in Fleming vs. Travelers Indemnity et al. The question was whether the wife should be construed as a "member of the named insured's household" so as to nullify the protection of the husband under the drive-other-cars provision in the policy covering his automobile.

B. B. Stewart was the named insured. A judgment of \$9,000 for personal injuries was recovered against him April 24, 1942.

Estranged from Wife

Stewart had been estranged and separated from his wife since 1936. His wife was living in a home at New Orleans. The Stewarts had not lived together as man and wife for some time. He had not spent a night there for more than five or six years although he visited the home on rare occasions at which time the wife would leave the room so as to avoid him. She got a divorce in 1944. Stewart was living with another woman in a flat at Mobile and they had two children. This woman was with him at the time of the accident. The telephone number of the New Orleans house was retained in

the directory under Stewart's name.

The court pointed out that the purpose of the exclusion in the drive-other-car clause is to avoid multiple coverage of several vehicles owned by members of the same family who, by their close intimacy, may be expected to use the cars of each other without hindrance and with or without permission, thus increasing the liability of the insurer which has a right to expect each owner to contract for his own coverage. Concession is made to the casual permissive use by the insured of vehicles of other persons whose permission may be considered episodic, or not subject to abuse.

A concession that the insured's house at New Orleans was in legal definition, a homestead for the purpose of supporting an exemption and that he recognized a legal, if not a moral, obligation to support his wife, is not at war with a conclusion that he also had a home and household at Mobile into which he had assembled a separate entourage or domestic entity with whom he lived on terms of an intimacy which he had denied to his lawful wife and whom he likewise supported and whom, by his acts and declarations, he lived with and claimed as his wife.

The conclusion was that the judgment creditor is entitled to recovery.

Kill Mass. W. C. Fund Bill

The Massachusetts senate has killed the monopolistic workmen's compensation fund bill that was sponsored by the Massachusetts Federation of Labor and the state C. I. O. council. The house already had rejected it.

Pick Pocket Gives Advice to His Victim

Indemnity of North America has just paid a \$32 robbery claim under these circumstances:

Bernard Goodis of Philadelphia had his wallet "lifted." It contained \$32 in cash. Next day, he got back his wallet with this note:

"Next time you lose your wallet make sure you have more money in it and have a better wallet or I will not return it again. I put

money on a horse and if it pays off, I will return your \$32. If not, well, you have your wallet."

The note was signed "Just A Meany." And to prove he was a "meany" there was 3 cents postage due on the wallet. The horse apparently did not "pay off."

George E. Gerow, formerly field representative for Standard Accident at Detroit, has joined the Leonard agency of that city. He started with Standard in 1939 and returned to the company after serving in the navy. He attended Wayne University.

What about the market created by MAIL and EXPRESS hazards?

THE MANY CONCERNS using the mails or express are always prospects for Registered Mail and Parcel Post Policies. They'll be quick to see the advantages of these "all-risk" coverages—when you tell them about the money they can save. They will appreciate, too, the time-saving conveniences of these policies. No more lost time waiting to insure letters and packages. And, any losses are quickly adjusted without red tape.

IT'S A WIDE MARKET, yet often overlooked—one that can lead to many new and profitable accounts. Our May issue of "Mailroad to Profits" gives you, in agents' language, the coverages, rates and selling points for these policies. Why not send for your free copy today? Just address our Agency & Production Department.

Final Ohio Casualty Premiums, Losses

The tables of Ohio net casualty premiums and losses published in the May 5 edition did not include 15 mutual casualty companies domiciled in the state. Below is a listing of these companies and their business which raises the total premiums to \$210,722,228 and the losses to \$100,301,918. Live stock business of Grange Mutual Casualty to-

taled \$1,339 premiums and \$128 losses.

The table showing totals of 1948 business is an aggregate of the business of all companies as appeared in the May 5 edition plus the total business of the 15 mutual casualty companies. The total premium and loss figures include fire, theft, etc., of full cover auto insurers.

	Total Premiums and Losses	Auto. Liab. Premiums and Losses	Other Liab. Premiums and Losses	Auto. P.D. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses	Other P.D. Premiums and Losses
Beacon Mut. Ind.	1,228,592	263,556	15,722	834,663	.....	.....	1,888	.....	5,284
Celina	407,556	107,052	281	238,723	.....	.....	1,770	.....	865
Fm. Bu. M. A.	12,009,839	3,650,511	260,854	7,475,702	.....	.....	64,232	.....	99,307
Grange Mut. Cas.	1,884,441	351,320	111,136	927,022	.....	.....	.....	.....	2,746
Mot. Mut.	1,070,258	109,995	26,750	603,592	.....	.....	.....	.....	729
Pioneer Mut.	1,211,229	293,627	6,480	797,153	.....	.....	.....	.....	196
Prog. Mut.	852,381	99,533	98	199,715	.....	.....	.....	.....	54
Repub. Mut.	1,001,006	155,149	12,884	617,482	.....	.....	.....	.....	.....
Shawnee Mut.	379,759	34,127	2,424	291,743	.....	.....	.....	.....	.....
Shelby Mut. Cas.	702,515	160,360	9,864	402,469	.....	.....	.....	.....	2,708
State Auto. Mut.	298,259	65,913	306	183,347	.....	.....	.....	.....	238
West. Res. Mut.	381,647	57,619	11,240	200,988	.....	.....	.....	.....	1,290
	241,767	20,706	4,816	157,417	.....	.....	.....	.....	3,902
	1,244,845	287,262	99,550	527,645	.....	.....	122,094	.....	36,875
	375,764	70,907	15,186	166,969	.....	.....	72,743	.....	12,993
	7,940,922	2,112,258	453,107	4,231,498	2,313	.....	15,200	.....	45,320
	2,892,488	766,272	110,813	1,700,872	.....	.....	8,146	.....	16,262
	245,572	60,578	980	165,054	.....	.....	.....	.....	5,936
	68,723	9,231	53	48,908	.....	.....	.....	.....	.....

Ohio Aggregates

	1948	1947
Total Premiums	\$210,722,228	\$170,131,434
Total Losses	100,301,918	82,042,511
Auto. B.I. Premiums	38,290,966	31,970,242
Auto. B.I. Losses	13,692,487	10,841,631
Other Liab. Premiums	11,213,535	10,118,065
Other Liab. Losses	2,293,531	1,787,148
Auto P.D. Premiums	44,345,706	34,790,714
Auto P.D. Losses	20,404,761	15,007,462
Fidelity Premiums	3,597,150	2,085,645
Fidelity Losses	660,062	404,519
Surety Premiums	3,783,218	2,725,082
Surety Losses	200,844	382,853
Glass Premiums	1,060,056	961,544
Glass Losses	582,257	545,722
Burglary Premiums	4,216,256	2,854,948
Burglary Losses	1,267,225	1,215,903
Other P.D. Premiums	2,517,021	2,088,749
Other P.D. Losses	582,682	404,477
Live Stock Premiums	113,462	119,674
Live Stock Losses	56,567	51,174
Credit Premiums	837,139	306,759
Credit Losses	8,318	32,417
Sprink. & Wat. Premiums	36,283	10,640
Sprink. & Wat. Losses	14,263	2,442

Other Lines

ACCIDENT & HEALTH

	Net Premiums	Paid Losses
Beacon Mut. Ind.	107,880	27,803
Celina	14,797	4,114
Farm Bur. Mut. A.	1,005,316	814,215
Globe Cas.	157,868	40,408
Grange Mut. Cas.	292,848	261,742
Med. Mut., Cleve.	495,314	372,614
Mot. Mut.	14,114	3,925
Auto Ath. Mut.	31,217	21,168
Pioneer Mut.	505,081	219,319
Prog. Mut.	8,169	327
Repub. Mut.	25,534	6,668
Shawnee Mut.	72,000	37,579
Shelby Mut. Cas.	43,082	12,741
U. S. Mut. Ben.	114,291	45,226



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ACCIDENT AND HEALTH

Preferred Accident Issues New Disability Policy

Preferred Accident is announcing to agents the medalist disability policy which will supersede the present 60th anniversary disability contract.

The new contract is a schedule form disability policy featuring two year non-house confining sickness benefits and level premiums to age 65. There are two scales of premiums, one applying to applicants 21 to 44, and a higher scale for applicants 45 to 54. Sickness benefits are reduced 50% at age 60, but the policy will not be discontinued because of age until the first expiration date after the 65th birthday.

The policy features the accidental

bodily injuries insuring clause and a new accident total disability clause providing benefits for 50 months if insured is unable to follow his regular occupation, and thereafter for life if the insured is disabled from performing the duties of substantially gainful occupation for which he is or could readily become qualified. Optional provisions include 50% of total disability benefits in case of partial disability caused by accident with a limit of 12 months, and substantial protection against costs of medical, surgical and hospital care.

Two new features are a "time limit on defenses" clause, which is similar to a two year qualified incontestable provision, and elimination of the old blanket aviation exclusion. The new contract

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excludes only flying in military aircraft and pilots or crew members of aircraft. Persons flying as bona-fide passengers in civilian aircraft are covered without qualification. The policy also includes a revised surgical schedule which is more realistic than previously used.

Chicago Claims Assn. Elects

George M. Kae, Metropolitan Life, was named president of the Chicago Claims Assn. at the May meeting. Others elected were A. Robert Applequist, Beneficial Standard, vice-president; A. Geffinger, North American Accident, treasurer; J. V. Parker, United of Chicago, secretary; K. L. Merley, Federal Life, executive committee chairman and Wallace Graham, Hooper-Holmes Bureau, executive committee.

Goldstein Akron Head

A. S. Goldstein of Federal Life & Casualty was elected president of Akron Assn. of A. & H. Underwriters at the annual meeting. Vice-president is G. A. Kizer, Bankers Life & Casualty; secretary, Stanley Akers, Loyal Protective; treasurer, V. O. Skinner, Retail Credit Co. Twenty-three new members were added, bringing the total to 53.

The speaker was W. J. A. Jones, national executive secretary.

Third Generation in Wis.

Thomas I. Cress, whose initials purposely were selected to correspond with those of Time Insurance Co. of Milwaukee, has joined his father, Vic Cress, who operates the northern Wisconsin agency of Time. The company has been represented by the Cress family for more than 50 years, starting with Vic Cress' father. Vic Cress went with the organization at the age of 16.

von Pein Sales Director

Henry vonPein, who started with Travelers in 1937 on the group sales staff, and who more recently has been home office representative at Houston for State Mutual Life, has been appointed sales director for American Hospital & Life of San Antonio.

Mahoney Buffalo Speaker

Senator Walter J. Mahoney of Buffalo addressed the May luncheon meeting of Buffalo A. & H. Assn. on the recently enacted state disability income law.

Enters A. & H. Field

Bankers Security Life of Oklahoma City has entered the A. & H. field.

Back Hedges for NAAHU Treasurer

Bert A. Hedges, manager Business Men's Assurance, Wichita, and first president and organizer of the Kansas A. & H. Underwriters, has been endorsed by the association for the new office of treasurer of the National Assn. of A. & H. Underwriters, which is provided for in a proposed amendment to the constitution to be voted upon at the coming national convention.

Pass "Blue Cross Bill" in Okla.

A bill to regulate Blue Cross and similar organizations has been passed by the Oklahoma legislature.

SURETY

Ghost Surety Plagues Redondo Beach Council

Los Angeles county grand jury has been asked by the city council of Redondo Beach to investigate certain circumstances surrounding a veterans housing project there. Safeway Homes, Ltd., which was to have built the housing project, filed a surety bond for \$165,000 with the city with "Lumber-

men's Mutual Guarantee Co. of Delaware" as surety.

Veterans paid in \$52,000 dollars for homes that have not been built.

Failure to erect the housing project brought on an investigation. This resulted in failure to find any such surety as Lumbermen's Mutual Guarantee of Delaware.

City Attorney Henry approved the bond as to form, when it was offered. When the city council asked for the grand jury probe it accepted the resignation of Mr. Henry and named Frank L. Perry to serve the unexpired term.

The district attorney's office reported it was unable to find any trace of Lumbermen's Mutual Guarantee.

Big Bonds on Coast

Los Angeles department of water and power has opened bids for the construction of three tunnels and surge chambers in the Owens Gorge Project, Mono County. The low bidders, as joint venturers were Guy F. Atkinson Co.; Tiechert & Sons, Inc.; David B. Gordon; and Bressi & Bevanda Construction Co. Inc. Their bid was \$9,171,920. Fidelity & Deposit, Massachusetts Bonding, Aetna Casualty and Hartford Accident were on the bid bonds.

Peter Kiewit Sons Co., has been awarded the contract by Portland for construction of the peninsula tunnel unit of the intercepting sewer and sewage treatment project, at the low bid of \$2,589,133. Aetna Casualty will execute the bond.

Forgery Fastest Growing Crime

MILWAUKEE—Donald Dalrymple, chief auditor of Liberty Mutual, told members of Milwaukee Controllers Institute of the extent of dishonesty losses. He stressed the importance of adequate internal audit and control. More than 7% of business failures can be traced to dishonest employees, he said, explaining that 62% of these cases reported to the FBI last year were repeaters. Losses due to check forgery, the fastest growing and most common crime in America, he said, are estimated at more than \$300 million a year.

Hear Retail Credit Man

Walter J. Corrigan, Retail Credit Co. told the Surety Claim Men's Forum of the work his company does to assist claim men in handling claims. On May 26 the forum will hear R. F. Hunsdorfer, Massachusetts Bonding.

Val White, fidelity manager of Employers Mutual Liability, will speak on "Stealing from the Boss," at the May 23 meeting of Kansas City Advertising & Sales Executives Club.

CHANGES

Yorkshire Advances Crowell, Strain

Horace Crowell, Jr. has been elected vice-president of Yorkshire Indemnity. Mr. Crowell, who has been secretary, joined Yorkshire in 1931.

James Strain, assistant secretary of the indemnity company, has been appointed assistant secretary of Yorkshire and Seaboard F. & M. also. Mr. Strain joined the organization in 1932. He is vice-president of Automobile Underwriters Club of New York and secretary of Automobile Casualty Underwriters Assn. of New York.

Pan American in Okla.

Pan American Casualty of Houston has entered Oklahoma and will be represented by the general agency of George E. Fears & Co. of Oklahoma City. Pan American has been operating in New Mexico since the first of the year through State Agent Cliff Kealey at Albuquerque.

ASSOCIATIONS

Finds Verdicts Descending In Southern California

LOS ANGELES — Jury verdicts against insurers in accident cases are coming down, was the opinion expressed by Attorney Joseph Spray, in addressing a meeting of Casualty Insurance Adjusters Assn. of Southern California.

He quoted figures applicable to Southern California for the period 1940 to 1948, showing that the trend from 1940 to 1945 was upward and that from then to the end of 1948 was downward. These figures showed that in 1940 cases decided in favor of plaintiffs totaled 150, with an average verdict of \$4,686; 1941, 140 cases, average \$4,938; 1943, 101 cases, average, \$7,226; 1944, 117 cases, average, \$8,736; 1945, first half, 52 cases, average, \$11,707; last half, 91 cases, average, \$11,707; 1946, 275 cases, average, \$7,802; 1947, 88, average, \$6,768; 1948, 303, average, \$5,481. He said that the largest verdict in 1948 was for \$70,000 and that the total awards by juries was \$1,761,201.

The annual picnic will be Aug. 6.

Anderson at Indianapolis

Practically the entire membership of Surety Assn. of Indianapolis was present to hear Elmer C. Anderson, assistant secretary of Surety Assn. of America discuss Dr. Jules Bachman's book, "Surety Rate Making." Mr. Anderson was introduced by Thomas W. King, American Surety, president of the association.

William S. Ray, Hartford manager of Connecticut Blue Cross, addressed the Hartford Assn. of Health and Accident Underwriters.

Ask Responsibility of Crop Dusters in Washington

Firms engaged in crop dusting and spraying must furnish evidence of financial responsibility for property damage or personal injury under a new directive issued by the Washington department of agriculture.

To qualify for a license, the operator must submit evidence to prove he is financially responsible for a minimum of \$10,000, either by means of insurance, a bond, or a deposit of cash or acceptable collateral.

To clarify the bond provisions under the ruling, the Surety association is conferring with officials of the department.

Wehrle W. Va. Deputy

R. W. Wehrle has joined the West Virginia department as acting deputy. Lately he has been general agent at Charleston for Pan American Life and before that was director of agencies of George Washington Life. Mr. Wehrle was at Chicago this week for the convention of H. & A. Underwriters Conference.

D. W. Elliott, superintendent of the claims department of Bankers Indemnity at Chicago, has been the guiding spirit and the chairman of a bicycle safety drive in the suburban LaGrange-Western Springs area. Mr. Elliott got the idea from a similar drive in Peoria of setting up a testing lane through which all bicycles in the area would have to pass. With the cooperation of the various civic groups and the police departments of the respective communities, in one week's time, most of the bicycles in the area had been tested. Many of them had safety discrepancies corrected on the spot at the testing lanes and all of them had been equipped with luminous safety tape.

The children passing through the lane were given written safety tests and had previously perused bicycle safety manuals to prepare for the tests. Parents were familiarized with the drive through the local newspapers. Mr. Elliott reports that, since the program was initiated, there have been no bicycle accidents in the area. A number of such accidents recently had spurred the safety drive.

Ill. Agent Legislators Ask Auto Rate, Claim Probe

A number of bills of interest to insurance people have been introduced in the Illinois legislature.

Introduced only a week ago is a bill to investigate automobile rates, claim practices and policy forms by a commission of five members of the house, five from the senate and five from the industry itself. An appropriation of \$15,000 would be made to carry out this work. The bill is sponsored by five Illinois local agents, all representing stock companies. Four of the agents have been in the business for some years. They are: Clyde L. Choate, Jonesboro; A. A. Brands, Prairie Du Rocher; Clyde Lee, Mount Vernon; Fred J. Hart, Streator, and Orville Hodge, Granite City.

Company men have expressed no great concern over the bill. They point out that since 1937, automobile rates and policy forms for both fire and casualty have had to be filed and approved by the department and the information is a matter of public record. The investigation, it is thought, might turn out to be indirectly an investigation of department approval of rates rather than an inquiry into company practices.

Would Make Insurer Defendant

Another new bill would provide that an insurer having an interest in the outcome of an action for damages caused by negligent operation of an automobile, or which assumes or reserves the right to control prosecution, defense or settlement of a claim in an automobile case, be made a proper defendant in an action on any claim against the insurer. Similar laws are effective in only three states, Georgia, Louisiana and Wisconsin, and in each of these, the measure has caused an increase in rates. It is thought that if the bill is passed in Illinois there will be a similar effect.

Another bill has been introduced which will change some of the standard provisions in casualty policies, and the company men are eying this one carefully.

The Illinois Bar Assn. has introduced its own version of the unauthorized insurer's service of process bill. This is not the model bill that the companies favor.

Hearings are being conducted this week on the bill to raise the wrongful death limit in Illinois from \$15,000 to \$25,000. If passed, this would be the largest wrongful death limit in any state.

A bill to eliminate fraud in the financing of motor vehicles has been introduced in the house. It would provide for the licensing of finance companies and would require complete disclosure of all details of the installment contract and the amount of the finance charge, the cost of insurance and the scope of its coverage. It also would provide for the filing of rate charts and complaints with the secretary of state and have penalties for violation of the act. The bill is modeled after existing laws in Maryland, New Jersey and Connecticut.

Insurance Rate Probe Is Set Up in Oklahoma

The Oklahoma house has adopted a resolution for an interim committee of five house members to investigate insurance rates, and regulation. There is a \$7,500 appropriation.

The appointment was made following a report of the committee which had been investigating rates during the legislative session, but was forced to restrict investigation to workmen's compensation. The committee voiced

the opinion that compensation rates are substantially higher than in other states, largely due to administration which in turn is largely attributable to current laws. The report indicated that many awards appear to be too high, as, during the last two policy years, awards in Oklahoma have averaged \$410 as compared to \$286 in Kansas, \$284 in Louisiana and \$222 in Missouri.

Lack of a statute of limitation in Oklahoma's compensation law was suggested as a possible cause for the discrepancy.

New Advisory Members

Lumbermens Mutual Casualty Company has added to its general advisory board Louis Bromfield, noted author and farmer of Malabar Farm, Lucas, O., and T. Stewart Foster, president of Foster Paper Co., Utica.

N. J. "Comp" Results

At the annual meeting of compensation rating and inspection bureau of New Jersey, Hartford Accident, Fidelity & Casualty, New Jersey Manufacturers Casualty, and American Mutual Liability were elected to the board of governors.

Manager Bernard Hamilton stated that the calendar year 1948 reached

an all-time high with an earned premium of \$53,191,395, (excluding the defense plan) and the phenomenally low loss ratio of 41.52. The total earned premium for the five latest calendar years (1944 through 1948) is \$223,690,911 with a loss ratio of 47.58.

Six Dubuque F. & M. Men Advanced to Higher Rank

Milton D. Ebner, formerly vice-president and comptroller of Dubuque F. & M., has been advanced to vice-president and secretary.

F. Earle Handley formerly assistant secretary is now second vice-president. Neil Lang, formerly assistant treasurer is now second vice-president.

Lucian E. Sprengelmeyer and Lee A. Sprengelmeyer, underwriting department heads, are now assistant secretaries.

Gene M. Goodman cashier was advanced to assistant treasurer.

Carnine Claims Manager

PORTLAND, ORE.—Roland S. Carnine has been named branch claims manager for Pacific General Agency, succeeding H. S. Hargreaves.

The C. A. Westman Agency at Taft, Wash., has been purchased by Virgil Muckler of Braemar, Ore.

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AMERICAN CASUALTY COMPANY
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Wetterlund Reviews Ill. Legislation at Chicago Assn. Meet

Reviewing legislation pending in the Illinois legislature, Raymond J. Wetterlund, vice-president and general counsel of Washington National, told the Chicago Health & Accident Assn. at the annual luncheon meeting Tuesday the industry would go through any legislative investigation with flying colors.

Referring to the group of workmen's compensation bills pending, he said that an agreement had been reached between labor, industry and other concerned parties this year that would raise the benefits about 15%.

Mr. Wetterlund noted the unauthorized service of process bills pending before the house and senate.

Among other legislation he discussed was a bill permitting agents, brokers or companies to join in associations to develop better trade practices with immunity from the anti-trust laws.

The slate of officers headed by John H. Campbell, Provident Life & Accident, which was previously reported as nominated were elected by acclamation. Irving G. Wessman, secretary Loyalty Group, and retiring president, was presented a gift. Date of the an-

nual get-together was announced as June 14.

Charles B. Stumpf, vice-president of the national association, spoke briefly.

Tennessee Odin Becomes Southern Fire & Casualty

The name of Tennessee Odin is being changed to Southern Fire & Casualty Co. in recognition of the company's successful program of expansion throughout the south. This expansion has been financed by public offerings of stock through investment dealers and some of the most prominent southerners are now among the 300 stockholders.

The company has experienced a 300% increase in net premium volume in the last three years.

W. E. Byrne in New Post

W. E. Byrne has been named brokerage service department manager at New York for Manufacturers Casualty. Both before and after the war he had been with Fidelity & Casualty. In the war he rose to lieutenant colonel and was wounded. He attended Cornell.

Edward G. Kuser, manager of upstate New York activities, and Matthew Rodermund, actuary, have been elected assistant secretaries of Interboro Mutual Indemnity.

Memorial Insurance Library Projected



Shown above is the architect's drawing of the Charles W. Griffith memorial insurance library being built at Ohio State University. It will be in the new addition to Hagerty hall of the college of commerce and administration.

The library is the first of several projects planned by the Charles W. Griffith Memorial Foundation, sponsored by leaders in all branches of the insurance business in Ohio as a memorial to Ohio insurance men and women who gave their lives in the service during the recent war. It is named for the late C. W. Griffith, John Hancock Mutual Life agent in Columbus and was initiated by his family and friends and the Columbus chapter of Chartered Life Underwriters. The present committee includes from the fire and casualty business H. S. Bowen, Norwalk, and H. T. Minister,

Columbus, both past presidents Ohio Assn. of Insurance Agents. The university is represented by Dean W. C. Weidler of the commerce college, Prof. E. L. Bowers, chairman economics department and past president American Assn. of University Teachers of Insurance, and Prof. H. H. Maynard, chairman business department. Funds collected so far have been deposited under a trust agreement with Ohio State University development fund and ultimately will be directed by a board of elected insurance men and university officials.

The Griffith library will contain a large collection of historical and contemporary insurance publications and under the terms of the trust agreement its facilities will be at the disposal of insurance students, active insurance men and insurance buyers.

Fla. Law Study Bill

The Florida senate has approved a proposal to set up an interim committee to study the possibility of revising the insurance laws.

Changes in F. R. Law in N. Y.

A change in the New York auto safety responsibility act, effective July 1, provides that in all accidents involving bodily injury and property damage of \$50 or more, a report must be made to the motor vehicle department within 48 hours. The law heretofore has provided for "immediate notice." This wording apparently was too indefinite.

In connection with financial responsibility form SR-22, the m.v. department now requires the case number to be typed above the name of insured at the time of filing of the certificate.

Jones to Talk in New York

New York City Assn. of A. & H. Underwriters will have Wesley J. A. Jones, executive secretary of National Assn. of A. & H. Underwriters, as speaker at the final luncheon of the spring season May 25.

Harper Leaves Ark. Post

J. R. Harper, casualty rating supervisor of the Arkansas department, has resigned.

The title of Cleaners & Dyers Inter-Insurance Exchange of San Francisco has been changed to Consumers & Distributors Exchange.

D. H. Elliott has been named public relations manager of the Philadelphia eastern department office of Lumbermen's Mutual Casualty.

Stuart G. Thompson-Ewell Co., general agents of Seattle, are establishing a Tacoma office with E. M. Greenwood and Robert F. Thompson in charge.

Insurance Assn. of Los Angeles will hold its golf tournament June 7 at Oakmont Country Club, Glendale.

The West Michigan Accident & Health Assn. elected Willis Settle presi-

dent. Maurice Glaser is vice-president; R. L. Ritanich secretary-treasurer.

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Harrington Goes to the Top in H. & A. Conference

(CONTINUED FROM PAGE 23)

insurance and there is no need for governmental interference, Commissioner Larson of Florida, president of N.A.I.C. declared in speaking on "National Health by Compulsion." He analyzed the dangers and shortcomings of President Truman's health message which he described as "one of the more momentous documents of our times."

He said, however, that the threat of compulsory health insurance will diminish if the A. & H. companies take steps to meet some of the criticisms leveled against them, including limitations and exclusions, misleading advertising, misleading statements by agents, which he regards as primarily a matter of education, and denial of claims on technical grounds. Conditions in all the respects have improved but there is still more than can be done.

Advantages of Private Cover

W. G. Caples, manager of industrial relations of Inland Steel Co., who was formerly with the legal departments of both Continental Casualty and National Casualty, told why employers prefer private insurance to compulsory government insurance. In addition to opposing the general theories on which government insurance is based, such as the idea that it can "tell you what is best for your well-being," the lack of the profit incentive in its operations and the violation of the basic idea that the state is the servant of the people rather than the people being the servants of the state, he mentioned several specific points which make private insurance greatly preferable.

In the first place, with a private insurer the employer knows what the cost will be and that certain benefits are guaranteed by that cost. He can then determine what he can afford to buy. Expert service is available to provide the greatest possible protection. If a change seems desirable, by phoning the home office it can be made effective in 15 minutes, as contrasted with the red tape that would be involved in government operation. It has flexibility, which a government plan would not, and changes can be made to changing conditions. Claim handling is important and the worth of the protection may depend to a considerable extent on the promptness with which claims are paid.

Another important factor is that private insurance keeps the premium dollar working. Industrial concerns depend very largely on insurance companies for the money to provide new tools and new plants, which would not be available if the premiums were going to the government.

Rathje Hails Reaction

Frank C. Rathje, nationally known Chicago banker, said that while business activity just at present is on the decline, it constitutes a post-war reaction that is overdue and is to be welcomed. A recession has been defined as a switch from abnormal to more normal conditions and a depression as a move from normal to subnormal. He regards the present move as definitely in the former class. He is not at all pessimistic about business at present. There is no prospect of a business collapse, but plenty of signs of enduring financial strength.

E. J. Moorhead, executive vice-president of United States Life, gave a summary of the results of a survey on A. & H. compensation methods of life companies made by the Life Insurance Agency Management Assn. These showed the extent to which non-level compensation plans have been adopted in which there is a higher first year commission followed by lower renewals. Mr. Moorhead also gave several suggestions based on life company experience that might be of interest to an A. & H. or casualty company taking up the question of revising its compensation contracts.

Ralph H. Blanchard, professor of insurance at Columbia University, speaking on "Ratios," said that in themselves ratios are meaningless, but they are inherently dangerous because of the tendency of lazy, biased, poorly-equipped minds to make unwarranted inferences from them.

His talk was based quite largely on the new policy experience exhibit which the companies are required to file this year. He emphasized the greater accuracy and reliability of the ratio of incurred losses to earned premiums as against losses paid to premiums written, illustrating by both combined and individual company experience.

He said the requirement as to commission and expense reporting is very uncertain and showed the possible variations due to different commission bases or classes of business written.

Great Day for Selling

"How much of a selling job do we have ahead of us unless we want to see a type of medical care passed off on the American public such as that being dispensed in England today?" John W. Saylor, vice-president of Business Men's Assurance, asked in opening his talk on "It's a Great Day for Selling" at the Wednesday session.

He admitted that it is a big job but expressed confidence that the average American will continue to buy the best product that is offered to him at the best price, if it is properly presented and properly sold and said the business has an unbeatable sales team in a skilled sales force, a loyal and well trained home office staff and its millions of policyowners, who Mr. Saylor said, expect to be treated as people and not as a hole in a Hollerith card in a government office. He outlined the part each has to play.

The agent is discovering today that before he can sell his prospect a policy, he must sell the principle of privately owned and individually planned insurance, Ver Lynn Sprague, merchandising consultant of Gourfain-Cobb advertising agency, said. The railroads discovered years ago that before you can sell a man a ticket for a train trip, you needed to sell him travel by rails, and in the same way, the insurance salesman must sell his prospect on insurance before he can be sold a particular policy, but this type of broader selling cannot be left to the individual agent or even to the individual company. It is a matter of industry-wide consideration, he declared.

Hubbard Assails FTC

Moses G. Hubbard, counsel Commercial Travelers Mutual Accident Assn., vigorously denounced the federal trade commission's activities looking toward regulation of the mail order insurance business. He predicted that the proposed code to regulate mail order insurers would be the means of giving the FTC power to regulate policy provisions, claim practices, finances, and financial obligations, and that this presents a most serious problem, not just to the mail order companies, but the entire insurance industry.

Mr. Hubbard also criticized the National Assn. of Insurance Commissioners' unauthorized insurers service of process model bill, saying that the problem of dealing with mail order insurance had been blown up out of all proportion to its extent and seriousness. He also denounced the "continuing attempt of the federal government to take over the business of private insurance and to operate it from Washington," referring to the Wagner-Murray-Dingell bill.

Dr. Howard Gives Message

The American Medical Assn. is not fighting the battle alone against President Truman's compulsory health insurance program, Dr. Ernest B. Howard, A.M.A. assistant general manager,

told the conference. He said that the dangers of the program were its political implications, the enormous and incalculable cost of this compulsory plan, its harmful effect on the doctor-patient relationship when doctors would become clerks and patients numbers, and socialized medicine as the stepping stone to losing our liberty and our greatness.

Apparently there will be very little to come before the A. & H. committee of N.A.I.C. at the June meeting at Seattle, Commissioner Knowlton of New Hampshire, chairman of that committee, said. Neither of the subcommittees, those on standard provisions and minimum benefits, has had any meetings. Downey of California, chairman of the latter committee, has stated that he was too busy with legislation in his home state, including his own minimum benefits bill, but expects to get busy some time in the fall.

Mr. Knowlton commented briefly on the fair trade practice rules to be taken up by FTC at its coming hearing and urged that the industry give them the most serious consideration. When they

go into such matters as financial condition of a company, policy forms and failure to pay claims, he said that comes very close to constituting federal regulation.

Former Senator Burton K. Wheeler of Montana, who was originally scheduled to speak Wednesday but had said he could not make it and was replaced by Everett Dirksen, former Illinois congressman, found he could make the trip after all and spoke Tuesday afternoon on the Washington picture and world affairs.

E. H. O'Connor, Insurance Economics Society, reviewed the legislative situation in Washington and the various states.

The session was closed Wednesday afternoon with a memorial to Harold Gordon, with R. J. Wetterlund, Washington National, and G. F. Manzelmann, North American Accident, as the principal speakers.

Bantel Heads Auto Underwriters

The Automobile Casualty Underwriters Assn. of New York at its annual meeting elected as chairman J. A. Bantel, London & Lancashire Indemnity; vice-chairman W. T. Meckbach, U. S. F. & G.; and secretary-treasurer James Strain, Yorkshire Indemnity.

BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND ILLINOIS

SPECIALIZING IN WORKMEN'S COMPENSATION AND ALL LINES OF LIABILITY COVERAGE

Industry Defends Surcharges; Underwriting Conference Suggested

(CONTINUED FROM PAGE 23)

the assigned risk plan and have to pay heavy surcharges. He said that an insurer may accept business from one broker and not from others, and that in his own experience he has had to co-broker auto business to get coverage for his clients. This applies to other business besides automobile.

Others Testify Similarly

Percy W. Jones of the United Insurance Brokers Assn., a Negro, spoke to similar effect. He fears his clients might eventually constitute most of those in the assigned risk plan. Arthur McNaught, another Negro, testified along this line.

It was at this point that Mr. Leslie suggested the conference with top insurance executives. Years ago at a similar hearing held by the New York department the same complaints were made, he said, and a conference of the sort he described was held. The result was a solution to the problem. Unfortunately, he added, there has been a tight market and some territories have been less favorable in the way of experience than others.

DEFENSE OF PLAN

The propriety of surcharges in the assigned risk plan and the very small number in that plan compared with the total automobile registrations in New York state, were emphasized by the industry.

There are three surcharges, 25%, 50%, and 5% made because the policy is an absolute policy, Mr. Leslie said. The 25 and 50% surcharges reflect accident record, etc. There are no statistics on which the surcharges are based, but there is experience on certified risks which shows that the surcharges are warranted.

In New York state in the years 1938-40 inclusive, J. M. Cahill, secretary of the National Bureau, said, the bodily injury loss ratio on risks taking the 5% surcharge (which was then 10%)

was 64%, 25% risks 60%, and 50% risks 54%. This made an average of 58%. Under property damage the respective loss ratios were 45, 64, and 48, for an average of 52%. The B.I. experience for non-certified risks in the same time was 45% and for P.D. 54%. While this experience was small in volume, it was indicative.

Certified, Non-Certified About Even

On a much larger volume in 1946, in fact on B.I. earned premiums of \$1,651,000 and P.D. \$533,000 the average experience for certified risks was 70% and for non-certified 73%. Experience in states other than New York is not dissimilar, he said. Over-all the experience was 76% for bodily injury on certified risks and 70% for non-certified. The experience of the certified risks is segregated and is not used in manual ratemaking.

Mr. Martineau asked if the surcharges were punitive. Mr. Cahill replied that they are justified by the substandard conditions. Why not set up a special classification for such risks rather than putting them in the assigned risk plan, Mr. Martineau wondered. A special classification is what the industry has in effect in the assigned risk plan, Mr. Cahill replied. The 50 and 25% surcharges are made against risks guilty of very serious offenses, (1) convictions for driving while intoxicated, failure to stop and report an accident that results in B.I. or P.D., homicide or assault with a motor vehicle, and (2) convictions for excessive speed that resulted in injury or P.D., reckless driving that resulted in injury or damage, etc. Historically these are bad risks.

To some extent, then, Mr. Martineau commented, the surcharges are penalties rather than rate. In effect, Mr. Cahill replied, they amount to an additional classification system to segregate their bad loss record. To a certain extent they are subject to a penalty, which may have the effect of encouraging these risks to be more care-

ful, which is a worthy objective. No case, he thought, could be made for eliminating the 50 and 25% surcharges, since these amounts produce no more than enough to pay the way of these risks now.

Why not make the rate on the basis of this experience, Mr. Martineau pursued. Mr. Cahill said he thought a better result was obtained with the present method. W. H. Brewster, manager of the automobile department of the National Bureau, said that the 50 and 25% surcharges are in effect only three years.

Arthur Bailey, chief of the casualty rating bureau of the department, said that in 1946 the more than \$2 million of earned premium on certified risks was a sufficient volume to justify a breakdown as to each of the surcharge groups. The bureau people thought this could be done but don't want to add another statistical operation. Mr. Bailey thinks it would be a good idea because it would better support the differentials as between the various surcharges.

5% May Not Be Enough

Is 5% sufficient to cover the extra work involved on certified risks, Mr. Martineau asked. Mr. Cahill said he thought risks subject to financial responsibility probably do not pay their own way, and that the extra expense comes from the over-all expense loading. The figures are 100% credible, he said.

J. M. Muir, Mutual Casualty Rating Bureau, said that loss ratios, if the surcharge were not applied, would have been on 1938-40 B. I. business, 79% instead of 53% for 50% surcharged risks, 74% instead of 59% for the 25% surcharged risks, and 72% instead of 65% for the 10% risks. In 1946 a 70% loss ratio would have been 92% without surcharges.

Surcharges Groups Increasing

Based on the New York state motor vehicle bureau record of revocations and suspensions in the first quarter of 1949 risks in the 50% surcharge group increased 42% compared with the first quarter of 1948, those in the 25% group 41%, and those in the 5% group 7%.

Why don't the companies notify insured of surcharges that will be applied in case of conviction for various offenses, Mr. Martineau wondered. If they knew they had to pay 1½ times the rate for three years, that might act as a deterrent since it taps their pocketbooks.

Eldon Day of Lumbermen's Mutual Casualty and a member of the governing committee of the New York Assigned Risk Plan, said that the companies are participating in safety campaigns and Lumbermen's Mutual has a national campaign in the Saturday Evening Post where they stress the saving of a life or an injury. He said he thought this was better than to emphasize the saving of a few dollars.

Allstate's Experience

Combined B. I. and P. D. experience of Allstate under the surcharges was 44% under the 5% surcharge, 133% under the 25%, and 59% under the 50%, on about 1,000 risks, Henry Moser of that company said. Without the 25% surcharge, the loss ratio would have been 158, and without the 50% surcharge, the ratio would have been 84 for those risks.

A bill was introduced in the last New York legislature to eliminate the 5% charge after three years, Mr. Martineau said. Mr. Leslie replied that since the policy continues as an absolute policy, there is no justification for eliminating the charge.

SCHEPENS TALKS

The New York Assigned Risk Plan loss ratio on bodily injury for 1941 through 1947 (the latter incomplete) was 192%, 97%, 101%, 70%, 150%, 73%, and 90%, George Schepens, manager of the plan, reported. The property damage experience for the years 1942-

47 was 84, 89, 74, 100, 94 and 93. Thus the surcharges in the plan are justified.

Mr. Martineau wanted to know if the plan kept records of experience on drivers without previous bad driving experience. No, Mr. Schepens replied. Mr. Martineau asked if those in the plan because of an old car or because they are 25 or under should take the surcharge. Mr. Schepens thought there might be other than experience indications for companies to decline the risks in the regular way. Insured may have epilepsy, heart trouble, a criminal record, etc., things that would not show on the application.

Mr. Martineau still thought there should be a separation of the good from the bad. He had a letter from a school teacher that laid up her car for four years during the war. She has a good reputation, but couldn't get insurance outside the plan on her 1935 car. This is only one of a number of letters he has received. Mr. Schepens said one of the questions on the application is the age of the car.

About Half Non-Certified

There have been 2,845 under 25 year drivers gone into the plan Jan. 1 up to April 30, this year, Mr. Schepens said. About 50%, 1,415, had no accident record, judging from the application. The rest were certified. Total applications to the plan in that period were 9,195.

That 9,195 includes public liveries, motorcycles, taxis, scooters, motor bikes, non-owners, etc., many of which drivers probably are under 25, Mr. Day commented. On a 1949 projection only 7,000 out of 700,000 young drivers in the state are in the plan, which does not seem at all excessive. The market is loosening up. The industry has been doing a good job insuring young drivers in the regular way, considering their bad experience. The problem of the assigned risk plan is over-emphasized, in view of the small number in the plan in comparison with total registrations.

Surcharges on Top of A-3

Should younger drivers in the assigned risk plan pay A-3 rates and then the surcharges on top of that? Mr. Leslie replied that the A-3 provides a proper base rate and that everyone going into the assigned risk plan pays the appropriate surcharge; why should not the young drivers?

One company's experience was cited by Mr. Brewster. In the last quarter of 1948 in New York the company wrote 2,290 A-3 risks, 13% of its total passenger car business, but only 24 of them were taken through the assigned risk plan, or about 1%. In the first quarter of 1949, the figures were 2,400 A-3 risks and 25 from the plan, still about 1%.

Mr. Martineau asked where the 15% goes that is charged by the plan on non-certified risks. Mr. Leslie replied that 10% goes for the producer, 2½% for field supervision, countersignature, etc., and 2½% for taxes.

The industry expressed no interest whatsoever in writing more than \$5,000/\$10,000 bodily injury limits in the assigned risk plan. Spokesmen said that their job is to keep as many insured out of that plan as possible of those that do not belong there, but if they do go in, the companies should not be forced to write more than the amount required by law. After all, these people are those subject to accidents and generally have a bad experience history.

Tips on Publicity

Aetna Casualty has brought out a hand book on press relations for local agents entitled "Breaking Into Print." The author observes that agents should take advantage of legitimate opportunities for gaining publicity in their business and outside activities. Eight types of stories that generally pass muster with editors are described in detail. There are set forth five completely written news releases to serve as a guide to agents in preparing publicity.



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Analyzes Bank Defalcations

Records indicate that since Jan. 1, 1947, there have been 23 commercial bank shortages or defalcations reported to the supervisory authorities, federal and state, in the first federal reserve district, according to Earle O. Latham, vice-president in charge of bank examinations, Federal Reserve Bank, Boston.

Writing in the "Auditgram," published

by the National Assn. of Bank Auditors and Comptrollers, Mr. Latham points out that these shortages ranged in amounts from \$100 to slightly in excess of \$500,000. The defaulter is no respecter of the size of the bank—shortages occurred in banking institutions with deposits ranging from \$2 million to \$150 million with the bulk of the larger shortages occurring in banks with deposits of \$4 million to \$60 million.

Larger Cases

The salient points with respect to some of the larger defalcations are as follows:

Amount of Shortage	Nature of Shortage	Deposits of Bank	Individual Involved
\$ 19,000	Disappearance of travelers checks and shortage of teller's cash.....	\$135,000,000	Teller
10,000	Shortage in teller's cash.....	13,000,000	Teller
30,000	Withholding of customer's deposits..	60,000,000	Commercial Teller
12,000	Fictitious loans	45,000,000	Loan Teller
530,000	All types	45,000,000	Branch Manager
80,000	Withheld deposits	4,000,000	Branch Manager
			Head Savings Teller
130,000	Withheld deposits	15,000,000	

Two rather large defalcations are discussed in detail by Mr. Latham. Most of the embezzlements, he states, were re-

sults of years of manipulation by responsible and trusted employees, and only chance brought the facts to light.

Point for Combined Blank Approval by Jan. 1

(CONTINUED FROM PAGE 24)

determined. One suggestion was to treat "realized" as income and "unrealized" as charges to surplus.

On page 9 the commissioners would like to have premiums shown on an earned basis by line, and indicated that they would suggest a formula for use. Even with a formula, industry people think they cannot get this information out by March 1, though they probably could do so in a supplement to be filed later.

Will certain states still make special requirements, such as elimination of unadmitted reinsurance, reporting amortized bonds instead of market, and so on? Mr. Dominick replied that these probably still will have to be shown. Dates for supplementary filings will have to be voted on by commissioners. The subcommittee itself apparently is accepting the blank as it now stands with the amendments worked out last week.

Lee Wolfe Dies

Tribute was paid to the memory of Lee Wolfe of Wolfe, Corcoran & Linder, New York actuarial firm, who died recently. Mr. Donovan discussed the October conference.

The association's uniform accounting committee is going over interpretations of regulation 30 made by a special committee of the casualty statisticians. One question, "How to treat Workmen's Compensation Reinsurance Bureau costs," was answered: charge to boards, bureaus and association. This would apply to such fire organizations as Factory Insurance Assn. and Oil Insurance Assn. Another was how to allocate salaries of mail and other clerks at branch and home offices. The answer: "Functionally." It was brought out that the Stock Company Assn. wants to qualify as an association, so charges to defray the expenses of that organization would be charged to boards, bureaus and associations.

The blanks committee recommended that in the proposed new insurance expense exhibit, all claim expenses should be shown as a separate item. Previously a tentative decision had been to require

the reporting of claim expense according to the statistical plan used by the individual insurer. There was a variety of treatment here and the recherche problem of allocated and unallocated expenses was involved that had caused the accountants to come almost to blows.

Colo. "Comp" Rate Control May Be in Dual Hands

A legislative mix-up has developed in Colorado due to the defeat of a measure that would have transferred jurisdiction of the workmen's compensation rates from the industrial commission to the insurance department, but the passage of a companion measure to delete from the casualty rating bill, the exclusion of workmen's compensation from the scope of that act. If the governor should sign this bill, it would mean that jurisdiction over workmen's compensation rates would be possessed by both the industrial commission and the insurance department, and in several respects under conflicting types of laws. The workmen's compensation rating law is a strict prior approval measure while the general casualty rating law is one for filing with no waiting period.

Manufacturers Trophies

The Pittsburgh branch office and the Grand Rapids service office of Manufacturers Casualty have won the annual awards of the "President's Trophy" for "achieving the most outstanding record in production development, operating efficiency and general progressiveness."

C. H. Whelan, manager, accepted the Pittsburgh award at a luncheon attended by President W. Stanley Kite and George H. Garner, vice-president in charge of agencies.

Mr. Garner presented the trophy to Norman Peterson, Grand Rapids manager, at a similar luncheon there.

H. W. Bell has been elected president of Insurance Institute of Montreal.

In New Position

N. J. L. Pieper who has been appointed claims manager for National Surety and National Surety Marine, takes over duties in a newly created position to lighten the burdens of Henry W. Nichols, vice-president, who has been acting as general counsel and executive claims supervisor.



Burglary Booklet Is Now Available

The 1949 edition of the Casualty Insurer burglary booklet is now available. The booklet is 3½ inches by 5 inches in size, making it convenient for mailing to policyholders and prospects. The drawings are suitable for reproduction in newspaper advertisements.

The latest edition of this 12-page booklet is more graphic than previous editions. It has a minimum of statistics and a maximum of cartoons. The first part of the booklet depicts in cartoon form those who are concerned in the loss and protection of property. The second part is devoted to advice to the home and business owner on what not to do in order to protect themselves against thefts and robberies. They are advised against such common negligent practices as leaving keys under mats, placing jewels in domestic "hiding places," and failing to bolt safes securely to the floor. The contrasting "do's" recommend keeping careful and correct records of all valuables and checking into the past record of potential employees.

The booklet also illustrates the total 1948 United States theft record, pointing out that 181,652 persons were arrested during last year and took loot of \$131,064 per day.

Explaining that there is an insurance

policy to fit every need, the report closes, "where there is dishonesty, insurance is the best policy." Sample copies and price quotations may be obtained from the National Underwriter Company, 420 East Fourth Street, Cincinnati 2, Ohio.

Cal. Measures Signed

The California legislature has passed a little Clayton act bill permitting interlocking directorates under prescribed conditions.

The bill to include credit insurance under the rating law has passed the senate. The departmental bill on minimum benefits and standard provisions on disability policies has passed the senate.

The companies are very much exercised by the introduction of an assembly constitutional amendment for diversion of the premium tax to pay firemen's pensions and providing for the imposition of an additional premium tax up to 2% if necessary. There is a provision that if the taxes are sufficient, the contributions made by firemen to their disability and retirement systems would be reduced or eliminated.

Gov. Warren has signed the bill amending the judicial review provision of the 1947 rating law.

The Maine legislature, prior to adjournment, enacted the standard provisions and group insurance bill.

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Young Driver Rate May Go Higher than B

(CONTINUED FROM PAGE 23)

B. However, bureau representatives expressed willingness to give the matter serious consideration.

The hearing was the result of a show cause order issued by Mr. Martineau to the National Bureau of Casualty Underwriters, the Mutual Casualty Insurance Rating Bureau, the New York Assigned Risk Plan and Allstate. Though its principal interest is in the inability of many young drivers to get insurance without going through the assigned risk plan, half a day was spent on justifying the special young driver classification.

William Leslie, general manager; J. M. Cahill, secretary, and W. H. Brewster, automobile department, manager, appeared for the National Bureau. J. M. Muir represented the Mutual Casualty Bureau, and Henry Moser and Clarence Kenney of Allstate were on hand for that company.

The 1947 figures show that experience on the class A was markedly out of line with B and A-1, Mr. Cahill said. These figures have just become available and will be the base for filing of changes in July for New York state. In 1946-47, he said, the bodily injury loss ratio for A was 70.8% compared with 53% for B and 53.4% for A-1. On property damage the experience on A was 63.8%, on B 52.1% and on A-1 50.3%.

A-3 Rates Not Adequate

He concluded that the present classification system is necessary and present rates for A-3 probably are not adequate. The bulk of the risks that previously were classified under A now are in A-3. A study of A-1, A-2, A-3 and B writings shows that 80% of the former A risks now are going into class A-3. The remainder, 20%, are going to A-2. This is in New York City. In upstate New York, about 70% of former A risks are going to A-3 and 30% to A-2. The adverse A experience in 1946-47 undoubtedly was due to drivers until 25 years old.

Experience figures also indicate that the selection of 25 as an age breaking point was logical. He cited the 1936 Connecticut study of drivers under 25. Age 21 had 40% more of their proportion of accidents than the expectancy, age 22 had 38% more, age 23 had 29% more, age 24 had 19% more, and age 25 had 12% more.

There has just become available a

study of accident records in Connecticut by age groups comparing the 1936 study with a study of 1947-1948 results. The indications in the 1936 report are more than borne out by the 1947-48 experience. The index of expectancy for age 24 was 1.5; 23, 1.8; 22, 1.6; 21, 1.7; 20, 1.3; 19, 1.2; 18, 1.3 and 28 and up even or less.

The bureau contemplated making any change in the rate relationship between classifications only when it had actual experience under A-3 to judge by, Mr. Cahill said. Mr. Martineau asked if there were any changes contemplated in New York. Mr. Cahill replied that it was premature to say because the rating committee had not yet worked on the actual indications, but he did say these indications will be considered. The bureau has pointed out to its rating committee the advisability of dealing with the problem of increasing A-3 rates above B rates, which would involve a change in B rules. Technicians of the bureau should be able to do this, Mr. Leslie said that while it is not a simple matter it can be done quickly.

Giving Problem Attention

Eldon Day of Lumbermen's Mutual Casualty said that the problem arose in Massachusetts last year, and the industry has been giving it study.

Mr. Martineau stressed that the A-1 class, representing 75% or more of all insured cars, must pay part of the freight for A-3 unless A-3 is charged its full burden. Mr. Cahill said it was true that in 1946 and 1947 indications were that classes A-1 and B class about paid their own way.

Figures were presented showing the proportion of cars in the various classes. In New York outside of New York City, the percentage is 73.3 in A-1, 5.2 in A-2, 12.4 in A-3, and 8.5 in B. In New York City these proportions are 74.5, 2.1, 7.1, and 16.3. These figures, Mr. Cahill said, are based on a special study made by six bureau companies.

Mr. Martineau asked why there is not a special class for young drivers in business. Mr. Brewster replied that the young driver in business has a considerably different attitude toward driving than he does when he is doing it for pleasure, probably because his livelihood is at stake. Mr. Martineau wondered if it would not be advisable to get a breakdown to show if there is a

difference between the younger and older drivers on cars used in business. There is a reluctance on the part of the rating committee to do this, Mr. Brewster said, because there are a great many small merchants who use young drivers.

Mr. Bailey wondered how this would tally with the cars driven by a salesman who has a young son in his family. Would there be a difference between the young driver in business and the salesman with a young son driver of his car. Mr. Brewster thought so.

In answer to another question Mr. Cahill said the difference between the experience on A-3 drivers and all other drivers is larger than the difference in experience between business use and all non-business use.

Mr. Martineau wondered why the companies didn't establish an intermediate young driver class, say 18 to 22 and 22 to 27, rather than have so wide a change at age 25 as now.

Mr. Cahill said that if the class was divided into two it would call for a very high differential on the younger group, perhaps 150% of the B rate with about 120% of the B rate for the other group. Also it would add to the problem of classifying risks. The more refinements there are the more difficult it is to get the right figures. There would be equally wide steps, but there would be two instead of one, he said.

A-3 Still Experimental

Mr. Muir pointed out that the A-3 classification is still in the experimental stage, and there cannot be too many refinements if the plan is to be soundly administered. The combined mutual and stock figures on distribution of cars by class were substantially those shown by Mr. Cahill, although Mr. Muir's figures showed a somewhat smaller percentage in A-1.

Mr. Martineau was interested in whether insured signed the application for auto insurance and his proper classification. Mr. Muir said that there is an application, but the company has the choice of getting it signed by insured or producer. Wouldn't it be more practical to have the insured sign it rather than the agent, Mr. Martineau wondered. On company's figures for four months, on both direct and agency business, Mr. Muir replied, showed that the distribution of direct business was almost identical, class to class, as the business from producers. On the basis of this sample, it appears that classification by agents is accurate.

The 1946-47 countrywide experience

of Allstate showed that there was a difference by age in business use, Mr. Moser said. However, this difference is much more marked in private passenger use. He said that February, 1949 business of Allstate in New York was 13.8% on cars driven principally by young drivers. He thinks the B class definitely ought to be changed so that the A-3 rate can go higher than B.

Unless the differential between classes, in relation to B rates, is changed, it will be necessary to increase rates about 7% for 84% of the risks, which would not be necessary if the differentials were changed, Mr. Bailey commented. Mr. Cahill replied that this is the indication of the figures.

H. H. Mitchell Retiring from Employers Liability

After almost 38 years with Employers Liability, Harold H. Mitchell has retired as assistant deputy manager.

Mr. Mitchell began with the U. S. branch of Employers as a mail boy, but shortly afterwards he was transferred to accounting work. He was appointed assistant superintendent of the department in 1926 and superintendent in 1942. Three years later he was promoted to superintendent of accounting for the group.

He has been an assistant deputy manager since 1946. For 15 years he has also been assistant treasurer of American Employers and Employers Fire, from which offices he has also retired.

Soon to Make Partial Keystone Mutual Payment

PITTSBURGH—Plans are under way by the Pennsylvania department to make partial payments of claims against the defunct Keystone Mutual Casualty. Commissioner Malone said that attempts to resurrect Keystone by a group of Philadelphians did not appear to be getting anywhere so the state is going ahead with liquidation.

Mr. Malone estimated that claim payments at this time would be about 25 cents on the dollar.

The total value of 19,175 claims, filed with the department, represented a face value of \$30,192,432, against \$7,895,864 in assets.

Launch Publicity on New Tenn. Auto Law

NASHVILLE—Tennessee state finance commission began Monday to inform the public about the new automobile financial responsibility law which becomes effective July 1. Besides radio and newspaper publicity, 800,000 folders were printed to be given to auto owners as they purchase new drivers' licenses which must also be renewed by July 1. By agreement, local agencies are releasing advertising and local radio and newspaper publicity Thursday, under the supervision of Tennessee Assn. of Insurance Agents and local exchanges.

School for Inspectors

MILWAUKEE—Twenty-seven field inspectors from member companies of National Bureau of Casualty Underwriters are attending a two week school covering operation of steam power plant machinery at Allis-Chalmers Mfg. Co. plant here. Special attention will be given to design, operation and maintenance of safety devices. Class room sessions will be held each morning. Afternoons are being devoted to shop tours, and the group will end each afternoon back in the class room. Visits will be made to Jos. Schlitz Brewing Co. May 26 and Wisconsin Electric Power Co., Port Washington station May 27.

The New York office of Michigan Mutual Liability, in charge of Harry W. Gibson, resident vice-president, is moving from 115 Broadway to 30 Church street.

The

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Wis. Mid-Year Rally May 24

MADISON—More than 400 are expected to attend the midyear meeting of Wisconsin Assn. of Insurance Agents here May 24 with Madison Insurance Board as host. Gov. Rennebohm, Commissioner Lange and other state officials will be guest at the luncheon, while members will invite their senators and assemblymen as their their personal guests.

The Aetna Casualty films, "Ski Tips," and "Friend Or Foe," will be shown by J. W. S. Gallagher, Milwaukee, field representative of the company.

Walter F. Schar, president Madison Board, will give the welcome address with response and report of the administration by Charles L. Manson, Wausau, state president. The report of the national director will be given by John H. Carney, Eau Claire. Don Gottschalk, Milwaukee, secretary, will report.

Guest speaker will be William Heinrich, New York, assistant secretary National Bureau of Casualty Underwriters, on "Current Developments in the Automobile Field."

Chairmen of the various committees will report during the afternoon.

Paul Funk Now Independent

Paul Funk, Sr., has set up an independent adjusting organization known as Funk Claim Service at 226 Kent avenue, Terre Haute, Ind. He will operate within a 60 mile radius in Illinois and Indiana. For the past six years he has been Indiana claims manager for Trinity Universal. He graduated in law at Ohio Northern and he was with the Employers group in the claim department at Cincinnati 2½ years. He was for two years assistant claims manager at Cleveland for Trinity Universal before going to Indiana.

Minneapolis Inspection

MINNEAPOLIS—A large group under the leadership of John E. Jackson, state manager for Home, will make an inspection of Minneapolis the week of June 6-10. The inspection is being sponsored jointly by the Minnesota Fire Prevention Assn., the Insurance Club of Minneapolis and the Insurance Agents Assn. of Minneapolis. General chairman is Glenn W. Schodde, Home, president of the Fire Prevention Association. A number of firemen will assist.

Minneapolis Club Elects

MINNEAPOLIS—The following officers have been elected by the Insurance Club of Minneapolis: President, Tom von Kuster of the David C. Bell Investment Co.; vice-president Robert L. Pugh of Aetna Casualty; secretary, Morris S. Sampson; treasurer, Paul Olinger of Agricultural; director, Earl Loose of Fred L. Gray Co.

Plan U. of Minn. Seminar

MINNEAPOLIS—The dates Nov. 8-9 have been confirmed for the insurance seminar at the University of Minnesota sponsored jointly by the university and the Minnesota Assn. of Insurance Agents. Members of the association are now being circularized to state their preferences for subjects to be taught.

Whitelaw Wichita C. of C. Speaker

Maynard W. Whitelaw, manager of Western Adjustment, Wichita, addressed the fire prevention committee

of the Wichita chamber of commerce. The certificate of the National Fire Waste Council awarded Wichita at the recent U. S. chamber meeting for winning second place in 1948 among cities of 100,000 to 250,000 population, was presented to Dorth Coombs.

Insurance Story Given on Air Weekly in Minn.

Running until July 25, there is being given each Monday evening from 7:15 to 7:30 p.m. over station KUOM Minneapolis, an insurance talk under the auspices of Minnesota public relations committee.

Roy W. Carlstrom, Glens Falls, was lead-off man at the May 2 program. The next week was heard Robert Belford, London Assurance and president of Minnesota Insurance Speakers Club. Monday of this week, the speaker was E. E. Schwilk, America Fore. Speakers for the succeeding weeks are Phillip Olson, Loyalty group; Claude Casey, London & Lancashire; Ray Kramlinger, automobile department manager Don Miller Co.; Thomas J. Burke, Ohio Farmers; J. R. Brink of Thomas G. Linnell; C. H. Mitchell, Fire Underwriters Inspection Bureau; E. F. Holloran, Hartford Fire; A. L. Phillips, National Union; Glen Schodde, Home, president Minnesota State Fire Prevention Assn., and Paul Olinger, Agricultural.

Kansas P. L., P. D. Hearing

A hearing on the proposed increase in automobile P.L. and P.D. rates in Kansas was held by Commissioner Sullivan in the senate chamber. A state-wide representation of agents was in attendance.

Ohio Groups to Meet

Fire agents associations of Licking, Delaware, Muskingum and Perry county, Ohio, will hold a joint meeting in Newark June 16. Speakers will be Arthur M. O'Connell, president of the Cincinnati Fire Underwriters Assn.; Carl Gluck, Youngstown, president, and Theodore M. Gray, secretary of the Ohio association.

Telequiz Prevention Show

Insurance Board of St. Louis and the National Board conducted a telequiz fire prevention show May 15 over radio station KSD-TV. The show was titled "Crimes of Carelessness Before the Alarm." W. Ayton Cox of Geo. D. Capen & Co., is chairman of the insurance board's fire safety committee.

NEWS BRIEFS

John Scanlon, manager of Ohio Casualty at Indianapolis, led a discussion on comprehensive liability policies before Fort Wayne Assn. of Insurance Agents.

Some 10,000 attended the movie shows promoting stock insurance and fire prevention at the Midwest Home Show at Omaha, this being sponsored by Nebraska Fire Underwriters Assn.

The El Dorado (Kan.) Insurance Women have organized there. Officers are Mrs. A. B. Mattox, president; Mrs. Ruth Murray, vice-president; Mrs. Viola Ernest, recording secretary; Mrs. Dorothy Sprecher, corresponding secretary; Mrs. Hazel Tompkins, treasurer.

George Clarkson of the McCann-Clarkson agency, Des Moines, has purchased the agency and will operate it as the Clarkson agency. He has been in the insurance business 17 years and at one time was general agent for Occidental Life.

Insurance Women's Assn. of Sioux City, Ia., installed Marguerite Clatterbuck as president; Mrs. Gunderson and Elaine Harvey, vice-presidents; Vivian Gilfert, secretary; Mrs. Elaine Massengill, treasurer.

COAST

Mills Reelected President of National Auto Club

H. F. Mills, Pacific Coast manager of Aetna Fire was reelected president of National Automobile Club for his third term at the annual meeting at San Francisco. R. H. Griffith, Glens Falls, was reelected vice-president. Treasurer is E. V. Oliver, Security of New Haven; H. E. Manners is general manager-secretary, and Arnold Hodgkinson is assistant secretary.

C. E. Allan, Northern of England, was elected chairman of the board to succeed W. W. Gilmore, chairman for several years, who retired early this year. R. L. Countryman, Norwich Union, is vice-chairman. Herbert Rymann, Great American, was elected to the board.

The associate vice-president, all presidents of their organizations, are A. E. Sheppard, California Assn. of Insurance Agents; C. J. Turner, Insurance Assn. of Los Angeles; G. E. Kelly, Casualty Assn. of California; H. E. Sharpe, Insurance Brokers Exchange of California, and Newman Comfort, Oakland Agents Assn.

Ohio Farmers Reenters Pacific Northwest Territory

Ohio Farmers and Ohio Farmers Indemnity are re-entering the Pacific Northwest and have appointed Stuart G. Thompson-Elwell Co., Seattle general agents, to represent the companies in Oregon, Washington and Idaho.

The Thompson-Elwell general agency has also announced its appointment to represent the Halifax in Oregon and Washington, as well as the South British, affiliate of the New Zealand. The latter appointment is for Washington and Idaho.

Lloyds Division Moves

The Lloyds division of the Victor Montgomery general agency of Los Angeles has been moved to new offices at 8325 Wilshire boulevard, Beverly Hills. It will operate as an autonomous unit. In charge of this division is John M. Hayes.

Benson Co. Enlarges Space

The Benson Co., general agents of Salt Lake City, has moved to considerably larger quarters across the corridor from offices they have occupied for 17 years in the Pacific Life Building.

Lay Plans for Wash. Rally

Thomas A. Harman of P. J. Perry & Co., Seattle, has been named general chairman for the annual convention of

Weghorn to Address Exhibit Men

John C. Weghorn, president of Assn. of Local Agents of the City of New York, will address the Exhibit Producers & Designers Assn., at a meeting at New York May 31.

Supporting Mr. Weghorn in a question-and-answer period will be Frank Rogers, vice-president in charge of inland marine for the Mezey agency, and Stephan Amann, president of Baldwin & Amann, both New York agents.

Washington Assn. of Insurance Agents. The Washington convention is scheduled for Aug. 28-30 at the Olympic Hotel, Seattle.

Tentative plans call for a meeting of the executive committee and local board presidents the evening of Aug. 28, followed by a full day's session Aug. 29, the annual banquet the same evening; a morning session Aug. 30, followed by a golf tournament, cocktail party and buffet dinner dance.

Condemn 11 Seattle Buildings

Following a survey, the city building superintendent has announced that 11 older buildings in the downtown Seattle area will be wrecked as a result of the recent earthquake.

All of the structures are in the old part of the downtown district bounded by First and Third avenues and Jackson street and Yesler Way.

Oien Resigns Spokane Presidency

C. Tod Oien has resigned as president of the Spokane Insurance Assn. due to the press of business and Vice-president Cliff Couey presided at the May meeting.

Sam Parrott of Farmin, Rothrock & Parrott, was named general chairman in charge of the local agents-special agents golf tournament to be held June 6 at the Manito Golf Club.

EAST

Utica Wins London Trophy for Local Board Excellence

Insurance Agents Club of Utica won the London Assurance public relations trophy, an annual award to the local or county organization in New York state which is adjudged to be most deserving of special recognition for meritorious community activity interpreting and promoting the aims, services and accomplishments of stock insurance during the past year.

Presentation was made to Andrew C. Treiber, the club's president, by Charles J. Penna, state agent of London Assurance, at the convention of New York State Assn. of Insurance Agents at Syracuse.

Va., D. C. Mutual Men Elect

Walter N. Chinn, Jr., Fredericksburg, Va., is the new president of Mutual Insurance Agents' Assn. of Virginia & District of Columbia. He was elected at the closing session of the annual convention. Named to serve with him were Richard Toage, Richmond, vice-president, and J. Hotinger, Winchester, secretary-treasurer.

Bunting Has Own Firm

Fred R. Bunting, who has withdrawn from the adjusting firm of Wiseman & Bunting at Washington, D. C., has opened his own office at 1420 New York avenue, N.W., in that city.

Smith Renominated at Jamestown

E. Donald Smith was nominated for president of the Jamestown, N. Y., Fire & Casualty Underwriters Assn. to serve a second term. The election will be June 14.

Also renominated were C. William Glatz, secretary, and Mrs. Sally Johnson, treasurer. Charles L. Rowley, Jr., was nominated for vice-president and Gilbert S. Smith for the executive committee, succeeding Mr. Rowley.

People, Not Appliances to Blame

HARTFORD—Home fires that start from electrical appliances actually result from public ignorance, the Insurance

Board of Hartford was told by Henry J. Martel, electrical inspector for the West Hartford fire department. He said that in most cases it's the person handling the electrical equipment and not the appliance itself that's to blame when a fire breaks out. With Thomas H. Donnelly, fire chief, he went on to demonstrate dangers in handling appliances.

Tells Buyers of Fire Liability

Charles F. Littlepage, assistant secretary of Indemnity of North America, discussed fire property damage liability before the Insurance Buyers of Pittsburgh.

The organization has elected H. H. Hook, Koppers Co., president; R. B. Gookin, first vice-president; P. H. Schindler, Youngstown Sheet & Tube Co., second vice-president; Leo F. Kane, Philadelphia Co., treasurer, and William T. Wells, Harrison Construction Co., secretary. D. S. Galbreath heads the program committee, C. J. Leister membership, Mr. Gookin publicity, M. G. Miller entertainment, and E. A. McMillin legislation.

Members of the New England 1752 Club meeting at Boston, heard Robert Morrison, insurance attorney, in the final of a series of five lectures on legal phases of the business.

Miss Nancy Nasser has been elected president of **Syracuse Insurance Women's Assn.** Miss Toni Petosa is vice-president; Miss Marion Cronkite, secretary; Mrs. Mary Speech, treasurer.

Miss Louise Mulligan has been elected president of **Insurance Women of Albany, N. Y.** Vice-president is Hannah Jaffe; secretaries, Margaret Lynn and Helen Leoniak; treasurer, Anne Lutz.

SOUTH

Va. Agents Ask \$5 Floor on Fire Premiums

Northern Virginia Assn. of Insurance Agents has recommended that Virginia corporation commission take action as necessary to set the minimum fire insurance premium at \$5. The group says that current costs of operation make unprofitable the handling of policies with a premium of less than \$5.

The agents also recommended that the definition of the word "solicitor" be simplified to include "devotes the major part of his time in" insurance solicitation "under the supervision of" a licensed agent.

Give Details of N. C. School Insurance Plan

RALEIGH, N. C.—The state board of education has written school superintendents in North Carolina giving details of the self-insurance plan for schools set up by the legislature and asking information on present insurance carried by local school units.

Participation in the self-insurance plan is optional. Local boards of education have until Jan., 1951, to decide whether they wish to participate.

The state board of education has fixed a rate for the first year of the state plan at 90% of the rates charged by insurance companies prior to June 30, 1948, when a 25% increase went into effect. The state rate is 28% below rates now charged by insurance companies. When the excess of state premium receipts over losses reaches 5% of total insurance in force, the rates are to be decreased so as to maintain the 5% and if funds are sufficient no premiums shall be charged for the ensuing year.

Miss Maggie Morris was installed as president of **Durham, N. C. Assn. of Insurance Women.** Mrs. Ruth Byrd is vice-president; Miss Phyllis Hutton, secretary; and Miss Ethel Harris, treasurer.

Reed Penington, Denver general agent, has moved to 1455 Glenarm Place.

MARINE

Seek Self-Insurance Privilege on Cargo Line Alone

Commercial Carriers, Inc., of Detroit, announces it will seek reversal of a long-standing Interstate Commerce Commission policy governing insurance by filing an application for authority to act as a self-insurer only on possible cargo losses.

The announcement was made at American Trucking Associations' spring meeting at St. Louis by W. F. Carey, president of Commercial Carriers, who said he has been promised full support by A.T.A. He added his company would be able to save more than \$30,000 annually if permitted to carry full responsibility for cargo losses.

The policy of the commission heretofore has been to require a self-insurer to accept responsibility over all risks, including public liability and property damage, as well as cargo. The commission has never permitted a truck line to self-insure only on part of its risks. Only two truck lines so far have qualified under the commission's rules as self-insurers, they being Columbia Terminals, Inc., St. Louis, and U. S. Truck Lines, New York, both local cartage firms.

The A.T.A. executive committee has instructed its law department to enter the case in an effort to help bring about a change in I.C.C. policy.

Protest Lodged on Garment Filing

New York Clothing Manufacturers Exchange on behalf of its 495 members, has filed with the New York department, a request for a hearing on the new garment contractors floaters which were placed in effect in New York May 1 by Inland Marine Insurance Bureau.

Particular exception is taken to the provision that if the assured has impaired the insurance company's right of recovery against carriers, the policy shall be rendered null and void as to such loss.

There is a provision that the insured may accept bill of lading or receipts whereby the carrier's liability is limited to either \$50 if the shipment weighs 100 pounds or less, or 50 cents a pound if the shipment weighs more than 100 pounds, or not less than \$50 each bale, case or shipping package, or each garment if not cased, baled or packaged. The manufacturers contend that this limitation cannot be accepted by the industry because of the nature of the industry and the methods employed in shipping. It would compel the manufacturers to declare full value to carriers at a rate of 10 cents to 20 cents per 100, which would create a very large increase in insurance costs. They also contend that the limitation would require manufacturers to value each individual garment at not less than \$50.

Objection was taken to the fact that there is no provision for voiding of the limitation or an extension to provide the insured with the privilege of accepting complete release or limited bills of lading at a rate.

There is objection to the fact that merchandise shipped on manufacturers' own trucks is covered in full and no question of subrogation is involved. This it is charged is discrimination in favor of the large manufacturers with their own trucks.

It is charged that the entire industry is being discriminated against in the men's clothing garment rates.

Bankers Fire & Marine has been admitted into Oklahoma.

Perlet Counsels Wary Approach

(CONTINUED FROM PAGE 19)

posure fires badly distort the experience of a class.

Schedule rating is merely a method of apportioning insurance cost equitably among various insured and each one that has similar hazards receives a similar charge. Every item in a schedule deals with a thing which is common to all risks and while the charge may be too high or too low, it is applied equally and creates no chance for discrimination.

When the element of judgment is introduced in large fire risks, trouble is in store, he declared. He added that no underwriter can predict whether this or that building will burn and can say that the rate should be a certain amount. While he can determine whether a risk is better or worse than normal, that does not give him the power to ascertain the proper rate and does not indicate that the substandard conditions have not already been recognized in the rate. The underwriter cannot predict the rate anywhere near as accurately as a schedule. A person's guess or gamble should not be injected into the situation. Also, the underwriter's judgment may be colored by competition.

Commission Differentials

Mr. Perlet strongly disputed the theory that rate credit should be allowed for commission differentials. On the score of expenses, other than commissions, he said the indications are that writing multiple location risks costs more and not less, if all costs are analyzed. However, that is not the correct approach because expense can only be averaged and not allocated.

Another argument has been advanced that the I.U.B. business has been written at a loss. He ventured the belief, however, that this group of risks will not be far different from all other fire insurance groups. From 1943 to 1947, the entire amount of such business written was only \$55,946,486. Of this amount, \$13 million was tariff rated; \$37 million credit rated and \$5 million debit rated. These amounts, spread over the entire country, are too small to be credible. He pointed out that this group is part of a larger class known as mercantile contents and the loss experience on the class as a whole has been good throughout the country. It should follow that when a group is extracted from a class, its experience should approximate that of the class. Here it does not, being 10 to 12 points higher. This proves, he said, either that the worse than average risk was extracted from the class, or the data is too small to be credible.

Total Loss Possibility

He referred to the statement that the possibility of total loss is considerably different, being almost non-existent in multiple location risks. This, he said, is true if a loss up to the provisional amount of the policy is the basis of comparison, but it is not true in reference to the limit of liability in any one location. He said a good example is the Sears, Roebuck fire at Mobile in March. That is a multiple location risk and the loss at the one location was about \$1 million.

Mr. Perlet spoke of the frequently quoted reference to an assured that paid \$500,000 premiums and recovered only \$100,000 in losses. Mr. Perlet's answer to that is "So what?" The insured was paying for protection and got it. There is nothing to prevent such an assured from having a half million dollar fire tomorrow, which would more than upset any equity the insured might think he has in the premiums which he has paid. The assured should be thankful he has never had to call on the insurer to pay such losses and that the company is standing behind him financially able to pay in case he does have bad luck.

Recapitulating, Mr. Perlet said that multiple location risks are not a class within the meaning of the rate law; rates for such risks should not be subject to a credit-debit rate structure, and it is questionable whether such a system should be imposed on the fire insurance business in any form, and there should be no reduction in rate because of lower expenses, because there is no evidence tending to show lower experience and, in fact, the available evidence indicates quite the contrary.

Mich. Dept. Appropriation Will Fall Short of Request

LANSING—The Michigan insurance department's appropriation bill, due for final passage during the coming week, is likely to provide some \$35,000 less for personal service than had been requested.

New Ill. Licensing Bill Has Governor's Blessing

Gov. Stevenson of Illinois has given his approval to the action of Insurance Director Hershey in redrafting the Illinois statute pertaining to the licensing of agents and brokers. A bill to add an agents and brokers license section to the code was introduced Tuesday. If enacted, it will replace a special act heretofore on the books.

The director, in the bill, is given discretion as to whether he will require renewal applications. This one change contemplates the elimination of substantial unnecessary detail. The period of time for which a person shall not be entitled to license after revocation or refusal of a license has been lengthened from one to two years. To qualify as "actively engaged" in the business a person to be licensed must now write twice the total volume of insurance premiums for others rather than 50% as now provided. The new act for the first time requires every licensed agent, broker and solicitor to keep available for a period of five years books and records covering all insurance transactions.

Every applicant for a non-resident broker's license must now file an instrument authorizing the director to accept service of process for the benefit of residents of Illinois. The penalties for violations of the license act in addition to the fines previously specified now include imprisonment in the county jail for not more than one year. The provisions of the previous act pertaining to the licensing of company service representatives has been deleted. Such representatives are permitted under the new bill to be licensed as agents.

Hearings were held last week and again this week on the bill sought by W. W. Hamilton, manager of the Chicago Board, providing for official certification of insurance producers organizations. However, prior to the hearing, sponsors of the bill agreed to remove the provision that certified organizations be entitled to notice from rating bureaus five days in advance of any rate filings. The sponsors were subjected to rather sharp questioning on the part of legislators on the objectives of the measure.

Ind. Pond Sees Movie

At the final spring series of monthly luncheons of Indiana Blue Goose, a movie "Peace Through Air Power" was shown. Ross E. Coffin, Providence Washington, is chairman of the luncheon committee.

The annual meeting of the Indiana pond will be at French Lick June 21 in conjunction with the annual meeting of Indiana Fire Underwriters Assn.

New Rating Bill in Mo.

A fire rating bill has been introduced in the Missouri legislature. It is based on the all-industry pattern, but it is fashioned in such a way as to preserve the existing system of regulation of straight fire and windstorm lines which have been under state control for many years.

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Famous American Homes

Conference House

Scene of a Momentous Meeting

"Good claret, good bread, cold ham, tongues and mutton" were served by Admiral Lord Howe when three Signers of the Declaration of Independence visited him on September 11, 1776. The occasion, however, was not a social meeting, but the first peace conference of the United States, arranged by the British in the hope of ending the Revolution.

The meeting place was the home of the Billopp family on Staten Island in New York harbor. The three Signers whom Congress authorized to hear Admiral Howe's proposition were Benjamin Franklin, John Adams



The three American delegates hear Howe's ultimatum



This old print, showing rear view of the house, is evidence that restoration was highly necessary

and Edward Rutledge. Despite the gravity of the situation, all three committeemen conducted themselves with the utmost good nature and parried Howe's remarks with witty rejoinders which evidently baffled him. When he declared that if America were to fall, "I should feel and lament it like the loss of a brother," Franklin replied with a bow and a smile, "We will use our utmost endeavors to save your lordship that mortification." The admiral completely missed the point.

The conference soon ended, for Admiral Howe's basis for peace was the colonists' abandonment of independence, while the delegates emphatically refused to consider such terms.

Built before 1688, though the exact date is unknown, the Billopp house was old even at the time of the conference. The property was granted in 1676 to Christopher Billopp, captain in the British Navy, and remained in his family's possession for many years.

When the British occupied Staten Island during the Revolution, the house was owned by Colonel Christopher Billopp, the captain's great-grandson, and was being used as a barracks at the time of the peace conference. Suspected of Loyalist sympathies, Billopp was twice taken from his home and temporarily put in irons. On one of these occasions, after watching him through a spyglass from a church steeple in nearby Perth Amboy, a band of patriots rowed

across and took him captive.

Fortunately, the thick fieldstone walls of the Conference House have withstood the ravages of time and mistreatment, and it has been restored through the generosity of various organizations and private donors. It is now owned by New York City and is maintained by the Conference House Association as a memorial to the three committeemen and their re-affirmation of the Declaration of Independence.

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STRICKEN IN

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BUT COVERED —

AND CURED —

IN THE

U.S.A.



An American technician on assignment in Saudi Arabia . . . A fateful accident commanding specialized medical treatment not available locally. A quick call to the American Foreign Insurance Association representative in a nearby province—THEN . . .

A swift flight through the skies—back to the security of the U.S.A. where a cure is effected, at no cost to the victim or his employer!

This considerate handling of an unusual case dramatizes in capsule form a coverage available through American Foreign Insurance Association, and important to every American firm having foreign interests—Workmen's Compensation on American Personnel Overseas.

Through American Foreign Insurance Association, such coverage can be provided in almost any foreign country on earth. In most places distinctively American compensation insurance can be written. In countries having local controls and insurance requirements, American Foreign Insurance Association can arrange local coverage. In individual cases, a contract can be tailored to the specific needs of the assured.

Why not bring this story to the attention of your clients with personnel overseas—*TODAY!* Write us concerning any specific risk. Remember, the foreign field is your new horizon—*capitalize on it!*



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